

*State of Tennessee*  
*2000*  
*Consolidated Plan*

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## Consolidated Plan Committee Members

**Ronald L. Reasons**  
**Program Coordinator, LEAD**  
**Dept of Health**  
 Cordell Hull Bldg, 5th fl, MCH  
 425 Fifth Avenue N.  
 Nashville, TN 37247  
[ronrea@ecsis.net](mailto:ronrea@ecsis.net)

**Debbie Wynn**  
**Program Specialist**  
**Dept of Human Service**  
**Family & Community Programs**  
 Citizens Plaza, 14th Floor  
 400 Deaderick Street  
 Nashville, TN 37248-9500

**Dennis Wenner**  
**Mental Health Services**  
**Dept of Mental Health & Mental Retardation**  
 Cordell Hull Bldg, 3rd fl  
 425 Fifth Avenue North  
 Nashville, TN 37243  
[dwenner@mail.state.tn.us](mailto:dwenner@mail.state.tn.us)

**Marie Williams**  
**Dept of Mental Health & Mental Retardation**  
 Cordell Hull Bldg, 3rd fl  
 425 Fifth Avenue North  
 Nashville, TN 37243  
[mwilliams@mail.state.tn.us](mailto:mwilliams@mail.state.tn.us)

**Don Alexander**  
**Executive Director**  
**Crossville Housing Authority**  
 67 Irwin Avenue  
 Crossville, TN 38555  
[csvlpublichouse@multipro.com](mailto:csvlpublichouse@multipro.com)

**John Baldwin**  
**Community Builders**  
**HUD (Nashville)**  
 235 Cumberland Bend Dr #200  
 Nashville, TN 37228  
[john\\_e.\\_baldwin@hud.gov](mailto:john_e._baldwin@hud.gov)

**Cynthia Croom**  
**Chief of Planning**  
**THDA**  
 404 James Robertson Pkwy  
 Suite 1114  
 Nashville, TN 37243-0900  
[ccroom@mail.state.tn.us](mailto:ccroom@mail.state.tn.us)

**Dean Namboothiri**  
**Chief of Research**  
**THDA**  
 404 James Robertson Pkwy  
 Suite 1114  
 Nashville, TN 37243-0900  
[dnamboothiri@mail.state.tn.us](mailto:dnamboothiri@mail.state.tn.us)

**Brenda Borders**  
**AIDS Support Service**  
**Dept of Health**  
 425 5th Ave. N.  
 4th Floor, Cordell Hull Bldg.  
 Nashville, TN 37247  
[dmace@mail.state.tn.us](mailto:dmace@mail.state.tn.us)

**Steven Meinbresse**  
**Program Director**  
**Dept of Human Service**  
**Family & Community Programs**  
 Citizens Plaza, 14th Floor  
 400 Deaderick Street  
 Nashville, TN 37248-9500  
[smeinbresse@mail.state.tn.us](mailto:smeinbresse@mail.state.tn.us)

**William Edington**  
**Director, Planning & Development**  
**Dept of Mental Health & Mental Retardation**  
 Cordell Hull Bldg, 5<sup>th</sup> fl  
 425 Fifth Avenue North  
 Nashville, TN 37243  
[wedington@mail.state.tn.us](mailto:wedington@mail.state.tn.us)

**Mike McGuire**  
**Director, Grants & Loans**  
**Economic & Community Development**  
 William R. Snodgrass TN Towers, 10<sup>th</sup> fl  
 312 8th Avenue North  
 Nashville, TN 37243-0405  
[mmcguire@mail.state.tn.us](mailto:mmcguire@mail.state.tn.us)

**Jimmy Bills**  
**Executive Director**  
**Fayetteville Housing Authority**  
 P O Box 999  
 Fayetteville, TN 37334  
[fayhous@vallnet.com](mailto:fayhous@vallnet.com)

**William Dirl**  
**Community Builders**  
**HUD (Nashville)**  
 251 Cumberland Bend Dr #200  
 Nashville, TN 37228  
[william\\_h.\\_dirl@hud.gov](mailto:william_h._dirl@hud.gov)

**Jane Boles**  
**Director, Community Programs**  
**THDA**  
 404 James Robertson Pkwy  
 Suite 1114  
 Nashville, TN 37243-0900  
[jboles@mail.state.tn.us](mailto:jboles@mail.state.tn.us)

**Rina Sutphin**  
**Admin Services Asst 2**  
**THDA**  
 404 James Robertson Pkwy  
 Suite 1114  
 Nashville, TN 37243-0900  
[rsutphin@mail.state.tn.us](mailto:rsutphin@mail.state.tn.us)

**Drema Mace**  
**Director, AIDS Support Services**  
**Dept of Health**  
 425 5th Ave. N.  
 4th Floor, Cordell Hull Bldg.  
 Nashville, TN 37247  
[dmace@mail.state.tn.us](mailto:dmace@mail.state.tn.us)

**Kenneth Bakari**  
**Lead Program**  
**Div of Solid Waste Management**  
**Dept of Environment & Conservation**  
 5<sup>th</sup> fl L&C Tower  
 Nashville, TN 37243-0535  
[kbakari@mail.state.tn.us](mailto:kbakari@mail.state.tn.us)

**Lynne O'Neal**  
**Program Specialist**  
**Dept of Mental Health & Mental Retardation**  
 Cordell Hull Bldg, 5<sup>th</sup> Fl  
 425 Fifth Avenue North  
 Nashville, TN 37243  
[loneal@mail.state.tn.us](mailto:loneal@mail.state.tn.us)

**Paula Lovett**  
**Grants Program Manager**  
**Economic & Community Development**  
 William R. Snodgrass TN Towers, 10<sup>th</sup> fl  
 312 8th Avenue North  
 Nashville, TN 37243-0405  
[plovett@mail.state.tn.us](mailto:plovett@mail.state.tn.us)

**Wanda Willis**  
**Executive Director**  
**TN Developmental Disabilities Council**  
 Cordell Hull Bldg, 5<sup>th</sup> fl  
 425 5<sup>th</sup> Avenue North  
 Nashville, TN 37243  
[tnddc@mail.state.tn.us](mailto:tnddc@mail.state.tn.us)

**Mason Rowe**  
**Program Spec**  
**TN Commission on Aging**  
 500 Deaderick St, 9th Floor  
 Nashville, TN 37243-0860  
[mrowe@mail.state.tn.us](mailto:mrowe@mail.state.tn.us)

**Lorrie Shearon**  
**Director, Research & Planning**  
**THDA**  
 404 James Robertson Pkwy  
 Suite 1114  
 Nashville, TN 37243-0900  
[lshearon@mail.state.tn.us](mailto:lshearon@mail.state.tn.us)

*General*

# **Part I. General**

## **Executive Summary**

The State of Tennessee year 2000 Consolidated Plan marks the second plan completed by the state, with the first prepared in 1995. Preparation for the plan began in November of 1998 with the first meeting of state agencies, social service organizations, public housing authorities, federal government officials, and citizens groups. Since that initial meeting, the state has conducted a number of needs assessments and surveys, and has collected and analyzed demographic and housing market data. Key also to this planning process was a series of nine meetings held in each development district of the state to offer citizens and others greater access and opportunity to participate in the construction of the state's plan.

Throughout all the planning meetings and discussions with concerned parties, the following is abundantly clear:

1. The multiplicity of needs in the state;
2. The difficulty in trying to quantify and determine whether one group's needs are greater than another and to gain consensus throughout the state;
3. The resources in the state continue to provide much needed assistance to low- and moderate-income residents;
4. State, local, and federal policies and statutes sometimes have both a positive and negative impact on low-income families and the organizations that attempt to serve them; and
5. Resources to assist low- and moderate-income individuals are grossly inadequate.

Analysis of data in the state also demonstrates that needs vary greatly from community to community and from one region of the state to another. Some communities have experienced large population growth and increased housing cost while other communities have experienced moderate growth and still others have had population decreases. With increases seen in the number of seniors who are living longer, or the increase in non-English speaking populations in certain communities, the state must begin to think more creatively about how it serves communities.

Evident also in the state is the large impact the current economy is having on housing cost and unemployment, which is as low as 2% in some areas of the state. Additional trends in the state reflect a loss of affordable housing for the very poor whether through demolition of units, failure to build new housing for the poor, or deterioration of existing housing stock. Some communities report non-existent homeless populations, while others are overwhelmed with the needs of the homeless and the inadequate resources available to assist in their plight. Shelters are seeing an increase in mentally ill women as well as children with special needs that staff is unable to handle. The result sometimes is the loss of shelter care for families. There is also great concern over the number of mentally ill individuals and their housing needs and, in some cases, the available housing resources in the community that cannot serve these populations because of statutory restrictions or lack of needed social service supports.

Given the confluence of factors already discussed, the state also notes that as we begin the 21<sup>st</sup> century there still remains a large number of communities in the state lacking clean water or sewer systems that contribute to the overall health and well being of the residents of the state. Many families continue sharing the same water supply used for cattle or collect rain in large buckets to address their water needs. Many communities remain without adequate fire protection leaving families vulnerable in the time of crisis.

Further impacting low- and moderate- income persons is the State of Tennessee's fiscal crisis which led the state to re-direct much needed housing dollars away from housing related activities. We also note that better coordination of resources is needed within local communities. Mayors and County Executives must sit down with citizens, housing advocates, and persons from the homeless and mental health communities to look at strategies to address the needs in their communities when applying for funds from the state.

Inherent in the state's consolidated plan is the recognition of varying areas of need and a to attempt to appropriate resources in a manner that allows communities to help shape their priorities for those needs. This is done with the recognition, however, that the state is responsible to all communities in the state and must make decisions that allow a broad-based approach to resource appropriation. In some cases this is as simple as providing the most basic need for an individual such as clean, safe water.

Overall, we hope the following pages will:

- Reflect the needs of low- and moderate- income residents of the state;
- Assist local governments in planning;
- Serve as a tool for state government to develop better strategies to appropriate resources; and
- Demonstrate to federal officials that additional help is needed to make sure that federal resources do not come with statutory restrictions that contradict or hurt the very people they were designed to help.

### **Recent Changes and Impact on the State's Plan**

Planning for use of resources in the state would be incomplete without some analysis of the policies and statutes that impact the implementation of various programs within the state. While meeting with citizens and organizations the apparent need for coordination of much needed resources was a constant theme. The following have a direct impact on the use of such resources:

- **State Budget Crisis:** The State of Tennessee allocates no state dollars to any of the programs covered by the consolidated plan. In 1999, the General Assembly redirected state tax proceeds from a THDA administered grant program, HOUSE, back to the state's general fund.

- State of Tennessee Urban Growth Law: requires communities to plan areas for growth over the next 20 years. Limiting land use has a possible affect on the availability of affordable housing in the state.
- Section 8 Mark to Market requires landlords to follow HUD's guidelines for market rate rents even if they do not cover the cost to operate the facility. Given the current housing market, many landlords can command higher rents by not serving low-income individuals. For landlords who "opt out" it could result in a shortage of available subsidized housing units for low-income residents.
- Section 8 restructuring has income restrictions that make it difficult for the program to serve the working poor, which in many cases consists of families going from welfare to work but still in need of housing assistance.
- Quality Work Responsibility Act and the PHA Five-year Consolidated Plan: Has a number of statutory provisions that penalize housing authorities for high vacancies yet defines families in a restrictive way, making it difficult for housing authorities to coordinate services with mental health or developmental disabilities agencies. Such coordination might allow several persons living together with a caregiver in a large unit (4 of 5 bedrooms).
- Welfare reform: State's requirements for mothers to go to work often lack the necessary supports such as transportation, child care and housing subsidies to allow the family to find affordable, quality housing.
- NIMBY (Not in My Back Yard): Communities often do not want affordable housing units because of stigmas attached that suggest a potential loss in property value. This also holds true for the location of group homes or other special needs facilities in neighborhoods.
- Affordability Initiatives: The State of Tennessee commissioned the Tennessee Housing Development Agency (THDA) to do a study on affordable housing that showed a demonstrated need for affordable housing in the state. Yet many cities as well as local governments have sought federal funds that are used to tear down viable housing units for the poor to replace them with fewer, although more attractive, units resulting in the loss of as many as half (in some cases) of the available units. Sadly, even those units that are built back, only house a small percentage of very low-income individuals while the rest are designated for market-rate housing.

The above policies and statutes give only a brief highlight of the confluence of factors that impact the groups or persons addressed in this plan. It also reflects how far we have to go for real consolidated planning that must begin at the state and local government levels to assure that optimum use is being made of funds to assist low-income families.

## **Coordination and Leadership**

THDA is designated as the agency to lead the coordination of the state's consolidated plan. However, developing the plan involved input from citizens, organizations, state, local and federal government officials, developers, chambers of commerce, public housing authorities, and housing professionals.

Meetings were held with a core group of individuals consisting of 22 members. In addition to this group, several subcommittees were formed to address specific areas of the plan. A series of nine public meetings were held throughout the state, with coordination by the development districts, to get citizen input on the plan. Separate meetings were held with representatives from the public housing authorities to address their concerns and the impact of the state's plan. In addition, representatives went to quarterly or annual meetings of homeless coalition, mental health organizations, and public housing authorities to get their input on the state's plan.

The plan structure is designed to give some specific data on individual communities or groups which reflect trends in housing or other related data but that does not attempt to list needs by community. This allows communities the flexibility of prioritizing their needs without the state attempting to do so. Additionally, with changing demographic data expected from the 2000 census it allows communities to assess their areas with new data not provided by the state's plan when submitting grant applications or planning.

A list of groups and individuals that provided input on the states consolidated plan is provided in Appendix 1.

## **Institutional Structure**

The four HUD programs being applied for under this One-Year Action Plan are carried out by entities other than the State. Funds are awarded by the State to these entities, which include local governments and nonprofit organizations, who conduct the actual activities. Of the other federal and non-federal resources discussed in this plan, Section 8 is the only program directly administered in its entirety by the State. THDA Grant Program funds and the Low-Income Housing Tax Credit program are awarded to other entities, and the Homeownership program is carried out by local lenders. Coordination with social service agencies occurs primarily at the local level with the exception of the Section 8 program. THDA, who administers Section 8, works very closely with other State agencies including the State Department of Human Services, the State Department of Health, and the Department of Mental Health and Mental Retardation. This coordinated effort is expected to continue.

The State will continue to support applications from other entities for HUD program funds for both formula/entitlement programs and competitive programs.



*Housing and Homeless  
Needs Assessment*

## **Part II. Housing and Homeless Needs Assessment**

### **Housing and Community Development Projected Needs**

#### *Economic and Demographic Trends and Outlook*

The annual economic forecast by the Center for Business and Economic Research at the University of Tennessee-Knoxville (UT-K) predicts that the steady economic growth experienced by Tennessee during the 1990's may continue through 2008. In their long-term forecast of the employment outlook in 1995, the Department of Employment Security predicted substantial job growth in Tennessee, leading to a total employment of 3.3 million by the year 2005. This prediction is also on track. Tennessee is blessed with more jobs than ever in its history. On the state level, the loss of jobs that occurred in manufacturing and durable goods was well overshadowed by the growth in construction and service sectors during this period. The UT-K model predicts an edge to Tennessee in annual gross product growth (3.5 percent) over the nation (3 percent). In addition, these economic shifts have been producing jobs of increasingly higher quality. The UT-K model also anticipates a 27-percent rise in personal income from 1999 to 2008.

#### *Nature and Extent of Population Growth*

Areas with increasing economic opportunities attract persons and families. Many Tennessee communities, which benefited from the economic growth, also became moving destinations for many households moving from elsewhere, within and outside the state. The Census Bureau estimates a net growth of 12.1 percent in Tennessee population from 1990 to 1999, ranking it twelfth among all states in this regard. Analysis of Census population estimates and components of population growth indicates that two-thirds of the growth has been due to net in-migration, primarily domestic, while the balance of births and deaths account for the remaining one-third.

With migration being the major component of growth, two of the patterns associated with growth are worth noting. First, markedly high growth rates are confined to a small number of counties mostly located either in metro suburbs or in counties adjacent to them. Second, the central counties, the ones that house the central city of the MSAs, have not witnessed any noticeable growth rate. In addition, the average incomes of out-migrants from these counties have well exceeded the incoming household incomes. This trend, if persistent, must be of concern in these metro jurisdictions as it may have a negative impact on their neighborhood vitality and housing affordability.

#### *Household Projections for 2000-2005*

In 1995, THDA submitted household projections using the Census Bureau projections of state population by age group and applying the projected age-specific headship rates for family and non-family households (source: Joint Center of Housing Studies). The renter-owner ratios by income group obtained from the 1990 census applied to these projections of households yielded the number of owner and renter households.

Detailed description of the projection methodology was submitted in the 1995 Consolidated Plan. We have extrapolated households by tenure and income over the period 2000-2005 from the trend in our 1995-2000 growth projections assuming its underlining linearity. We intend to compare these projections with the corresponding Census 2000 figures when they become available and plan to make revisions, if necessary, at that time.

**Table 1. Tennessee Population and Household Projections, 1990 through 2005**

	1990 (Actual)	1995	2000	2001	2002	2003	2004	2005
<b>Tennessee Population</b> <sup>(1)</sup>	4,892,000	5,228,000	5,538,000	5,598,500	5,659,000	5,719,500	5,780,000	5,840,500
<b>Estimated People per Household</b> <sup>(2)</sup>		2.61745	2.56479	2.556609	2.548655	2.540916	2.533384	2.526052
<b>Projected Households</b> <sup>(2)</sup>		1,997,361	2,159,242	2,189,815	2,220,387	2,250,960	2,281,533	2,312,106
<b>Projected Owner Households (68.96%)</b> <sup>(3)</sup>	1,278,230	1,377,430	1,489,067	1,510,151	1,531,234	1,552,318	1,573,402	1,594,486
<b>Projected Renter Households (31.04%)</b> <sup>(3)</sup>	575,285	619,931	670,175	679,664	689,153	698,642	708,131	717,620

Sources: <sup>(1)</sup> Current Population Reports, Bureau of the Census, *Population Projections for States, by Age, Sex, Race, and Hispanic Origin: 1993 to 2020*. Table 1. Total Population of Regions, Divisions, and States: 1990 to 2020-- Series A (Preferred Series).  
<sup>(2)</sup> THDA Estimates based on Joint Center for Housing Studies' Projected Headship Rates for Family and Nonfamily Households.  
<sup>(3)</sup> Calculated by THDA from the CHAS Databook 1990, Table 5, (Parts 5 and 8).

### *Projected Renter and Owner Households by Income Category*

THDA's projection assumes that the distribution of households into low-, very low- and moderate-income categories remains steady at the 1990 level as their numbers in these categories increase through 2005 because of growth in Tennessee's population and number of households. The projected numbers of renter and owner-occupied households by income category are shown in Tables 2A and 2B.

**Table 2A. Projected Household Income Distribution: Renter-Occupied Households**

	Total	Percentage of HUD Adjusted Median Family Income				
	Households	0-30%	31-50%	51-80%	81-95%	96% +
<b>2000</b>	670,175	165,410	104,817	138,192	56,511	205,245
<b>2001</b>	679,664	167,752	106,301	140,149	57,311	208,151
<b>2002</b>	689,153	170,094	107,785	142,105	58,111	211,057
<b>2003</b>	698,642	172,436	109,269	144,062	58,911	213,963
<b>2004</b>	708,131	174,778	110,753	146,019	59,711	216,869
<b>2005</b>	717,620	177,120	112,238	147,976	60,512	219,776

Sources: THDA 1995--2005 Household Projections. CHAS Databook Table 5, (Part 8).

**Table 2B. Projected Household Income Distribution: Owner-Occupied Households**

	<b>Total</b>	<b>Percentage of HUD Adjusted Median Family Income</b>				
	<b>Households</b>	<b>0-30%</b>	<b>31-50%</b>	<b>51-80%</b>	<b>81-95%</b>	<b>96% +</b>
<b>2000</b>	1,489,067	126,768	140,611	219,050	112,327	890,311
<b>2001</b>	1,510,151	128,563	142,602	222,152	113,917	902,917
<b>2002</b>	1,531,234	130,358	144,593	225,253	115,508	915,523
<b>2003</b>	1,552,318	132,153	146,584	228,355	117,098	928,129
<b>2004</b>	1,573,402	133,948	148,575	231,456	118,689	940,735
<b>2005</b>	1,594,486	135,743	150,566	234,558	120,279	953,341

Sources: THDA 1995--2005 Household Projections. CHAS Databook Table 5, (Part 8).

Although owners outnumber renters overall, the opposite is the case among the lowest income households (0 to 30 percent of HUD Adjusted Median Family Income). It is also noteworthy that more than 60 percent of renter households earn less than 80 percent of the median income in contrast to the nearly 60 percent of the owner households having income greater than 96 percent of the median income.<sup>1</sup>

### **Housing Market Conditions**

#### *Some Observations on Housing Affordability in Tennessee Based on THDA Analysis Of 1990 CHAS Data*

The following observations pertaining to housing cost burden and housing need in Tennessee are derived primarily from the CHAS tabulations of the 1990 census data.

#### The Overall Housing Market:

- When compared to national and regional levels, Tennessee rental and homeownership markets are more affordable.
- As in other states, the housing cost burden in rental markets is about twice that in ownership markets in Tennessee.

#### Affordability in the Rental Market

- Rental markets in central cities show the highest cost burden. Over 37 percent of Tennessee households renting in the metropolitan central cities experienced rent burdens in 1990.
- Younger and lower income households participate heavily in the rental market. A vast majority of households with rent burdens also have very low incomes. Rental subsidies play an important role in reducing their rent burdens.

- The lowest income group, households earning less than 30% of the area median, represents one-fourth of all Tennessee renter households. Almost an equal proportion of all occupied rental units, about 23 percent, are also affordable to this income group. Stiff competition for these very affordable units is evident from the fact that households in higher income brackets occupy **46 percent** of these units. As a result, half of the lowest income renters live in units not affordable to them.
- Affordability is not as bad for renters in the 30-50% income group as only 38 percent of these households rent units not affordable to them. Even though they are only 16 percent of all renter households, their share of affordable units is 49 percent of the rental market and they occupy 20 percent of these affordable units.
- Almost all of the rental units in the local market (93%) are affordable to households earning 50-80% of the area median income; they form 21 percent of the renter households and occupy 21% of the affordable units in the market. Among these households, only five percent live in units not affordable to them.

#### Affordability in the Homeowner Market

- The lowest income group of owners in Tennessee form less than nine percent of all homeowners in 1990. About 12 percent of all owner-occupied units are also affordable to this income group. Stiff competition for these very affordable homes is also evident from the fact that households in higher income brackets occupy 78 percent of these units. As a result, 70 percent of the lowest income owners live in units not affordable to them.
- Almost half of the owners in the 30-50% income group live in homes not affordable to them. Even though they are only 10 percent of all owner households, their share of affordable units is only 27 percent of the owner market and they occupy 18 percent of these affordable units.
- More than half (57%) of the owner units in the local market are affordable to owner households earning 50-80% of area median income. They form 15 percent of all owner households and occupy 20 percent of the affordable units in the market. One-fourth of them live in homes not affordable to their income bracket.

#### Recent Shifts In Home Sales Prices

THDA analysis of homes sold in the state from 1995 to 1998 indicates that sale prices for new homes increased seven percent annually, while the annual increase for existing homes averaged six percent. HUD estimates of median household income from 1996 to 2000 reflect an eight percent average annual increase in Tennessee household income during this period. At the state level, this suggests a slight improvement in housing affordability. (See Table 3)

**Table 3. Tennessee: Median Household Income and Sales Prices**

Year	Median Household Income	Median Sales Prices for Homes Sold during the Year	
		New Homes	Existing Homes
1995	\$34,000	\$107,900	\$73,159
1996	\$35,800	\$115,950	\$78,595
1997	\$39,200	\$121,900	\$82,000
1998	\$41,000	\$124,942	\$87,500
1999	\$44,200		
2000	\$47,600		

Source: HUD Estimated Median Family Income for Year 2000, See HUD Notice #PDR-00-01, issued 3/9/00  
THDA tabulations of home sales data received annually from the TN Comptroller's Office, Division of Property Assessments.

**Table 4. Changes in Fair Market Rent: 1996-2000**

	Two-Bedroom Units			Three-Bedroom Units		
	1996	2000	% change	1996	2000	% change
<b>Chattanooga</b>	460	513	12%	594	663	12%
<b>Clarksville</b>	423	446	5%	578	608	5%
<b>Jackson</b>	391	465	19%	529	643	22%
<b>Knoxville</b>	447	471	5%	596	628	5%
<b>Memphis</b>	453	533	18%	629	740	18%
<b>Nashville</b>	598	630	5%	815	858	5%
<b>Tri-cities</b>	427	450	5%	555	584	5%
<b>Non-metro</b>	348	359	3%	456	472	4%

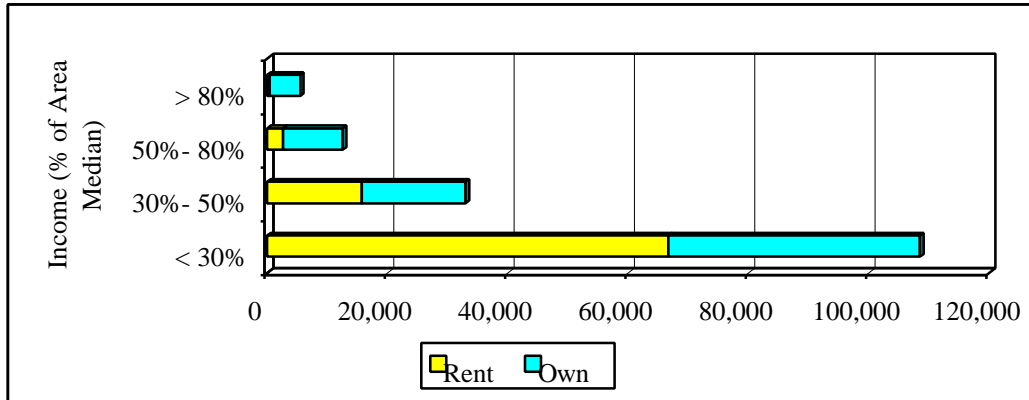
Source: HUD Fair Market Rents, See Federal Register (Vol. 64, No. 190 for Year 2000)

**Fair Market rent increases were much more modest, less than a percent in the non-metro areas and all metro areas except in Chattanooga (around 3 percent), Memphis (around 3.5 percent) and Jackson (4 percent) on the average annually.**

### *Severity of Housing Cost Burden in Tennessee*

There were about 160,000 Tennessee households in 1990 who spent over 50 percent of their incomes for housing; 109,000 of them, as the chart below shows, earned less than 30 percent of the area median income. These households could easily become homeless. (Figure 1)

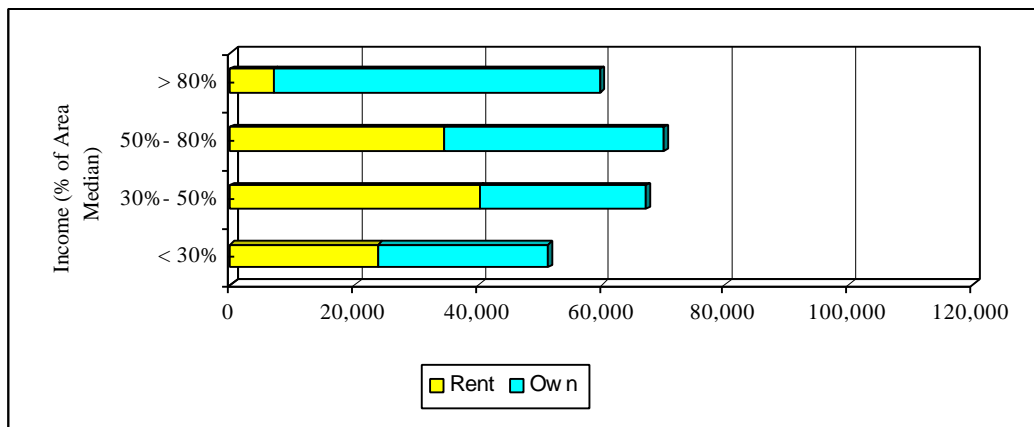
**Figure 1. Number of Households with Housing Cost >50% of Income**



Source: THDA analysis of special CHAS tabulations of 1990 Census Data provided for HUD by U.S. Bureau of the Census.

Burdened also, but not as severely as the above households, were 248,000 Tennessee households who spent 30 to 50 percent of their incomes for housing. They came from all income strata. The highest income category of these households consists predominantly of homeowners.

**Figure 2. Number of Households with Housing Cost 30-50% of Income**



Source: THDA analysis of special CHAS tabulations of 1990 Census Data provided for HUD by U.S. Bureau of the Census.

### *Projected Need by Tenure, Income and Family Type*

The 2000 households by income and tenure (Table 1) and the 1990 CHAS tabulations are the basis of the estimated numbers given in Table 5. This table includes income and tenure-family type breakdowns of families in need in 1990. Included are the estimated number of households in 2000 who are experiencing housing problems (over 30% cost burden, overcrowding, and/or substandard housing) and different levels of cost burden. Similar estimates for the years 2001-2005 are included in Tables 5A through 5E. Table 5F contains 1-year estimates for HUD form 2A.

**Table 5. Projected Need in 2000 by Income, Tenure and Family Type**

Households by Tenure, Income, & Family Type	Elderly 1 & 2 member households	Small Related (2 to 4)	Large Related (5 or more)	All Other Households	Total Renters	Elderly	All Other Owners	Total Owners	Total Households
<b>Year 2000 Projections: Households</b>									
1. Very Low Income (0 to 50% MFI)	74,079	105,561	24,475	66,112	270,227	152,044	115,335	267,379	537,606
2. 0 to 30% MFI	48,185	63,009	14,563	39,652	165,410	73,803	52,965	126,768	292,178
6. 31 to 50% MFI	25,893	42,552	9,913	26,459	104,817	78,241	62,370	140,611	245,428
10. Other Low-Income (51 to 80% MFI)	15,391	65,862	12,819	44,120	138,192	80,541	138,509	219,050	357,242
14. Moderate Income (81 to 95% MFI)	4,320	28,833	4,246	19,112	56,511	29,826	82,501	112,327	168,838
18. Total Households**	106,458	310,713	53,905	199,098	670,175	400,692	1,088,375	1,489,067	2,159,242
<b>Year 2000 Projections: Households With Housing Problems</b>									
1. Very Low Income (0 to 50% MFI)	39,749	73,896	19,930	49,262	182,837	68,994	73,821	142,815	325,652
2. 0 to 30% MFI	26,196	45,281	12,079	28,577	112,134	47,559	38,419	85,977	198,111
6. 31 to 50% MFI	13,553	28,615	7,851	20,685	70,703	21,435	35,403	56,838	127,540
10. Other Low-Income (51 to 80% MFI)	6,167	20,210	7,176	18,286	51,839	9,628	51,183	60,811	112,650
14. Moderate Income (81 to 95% MFI)	949	2,463	1,581	2,253	7,246	2,003	20,526	22,529	29,775
18. Total Households**	48,042	100,000	31,952	71,808	251,803	84,659	201,311	285,969	537,772
<b>Year 2000 Projections: Households With Over 30-Percent Cost Burden</b>									
1. Very Low Income (0 to 50% MFI)	37,515	70,728	14,836	47,743	170,821	64,325	67,759	132,084	302,905
2. 0 to 30% MFI	24,772	43,477	9,700	27,596	105,546	44,758	35,877	80,635	186,181
6. 31 to 50% MFI	12,742	27,252	5,135	20,147	65,275	19,566	31,882	51,449	116,724
10. Other Low-Income (51 to 80% MFI)	5,829	17,652	2,182	17,614	43,278	8,572	44,530	53,102	96,379
14. Moderate Income (81 to 95% MFI)	874	1,786	236	2,022	4,918	1,802	17,377	19,180	24,098
18. Total Households	45,145	91,482	17,398	68,560	222,586	78,135	174,340	252,475	475,061
<b>Year 2000 Projections: Households With Over 50-Percent Cost Burden</b>									
1. Very Low Income (0 to 50% MFI)	18,408	40,234	7,865	29,471	95,977	27,740	41,147	68,887	164,864
2. 0 to 30% MFI	14,238	33,556	6,999	22,921	77,714	21,839	26,896	48,735	126,450
6. 31 to 50% MFI	4,170	6,677	866	6,549	18,263	5,900	14,251	20,151	38,414
10. Other Low-Income (51 to 80% MFI)	914	882	63	1,246	3,106	2,060	9,463	11,522	14,628
14. Moderate Income (81 to 95% MFI)	141	40	0	56	236	276	1,996	2,272	2,508
18. Total Households	19,618	41,204	7,927	30,785	99,534	30,544	55,794	86,338	185,872

\*\*Includes all income groups -- including those above 95% MFI

**Table 5A. Projected Need in 2001 by Income, Tenure and Family Type**

Households by Tenure, Income, & Family Type	Elderly 1 & 2 member households	Small Related (2 to 4)	Large Related (5 or more)	All Other Households	Total Renters	Elderly	All Other Owners	Total Owners	Total Households
<b>Year 2001 Projections: Households</b>									



<b>1. Very Low Income (0 to 50% MFI)</b>	75,128	107,056	24,822	67,048	274,053	154,197	116,968	271,165	545,218
<b>2. 0 to 30% MFI</b>	48,868	63,901	14,769	40,214	167,752	74,848	53,715	128,563	296,315
<b>6. 31 to 50% MFI</b>	26,260	43,154	10,053	26,834	106,301	79,349	63,253	142,602	248,903
<b>10. Other Low-Income (51 to 80% MFI)</b>	15,609	66,794	13,001	44,745	140,149	81,681	140,471	222,152	362,301
<b>14. Moderate Income (81 to 95% MFI)</b>	4,381	29,242	4,306	19,383	57,311	30,248	83,669	113,917	171,228
<b>18. Total Households**</b>	107,966	315,112	54,669	201,917	679,664	406,365	1,103,786	1,510,151	2,189,815
<b>Year 2001 Projections: Households With Housing Problems</b>									
<b>1. Very Low Income (0 to 50% MFI)</b>	40,312	74,942	20,212	49,959	185,425	69,971	74,867	144,837	330,262
<b>2. 0 to 30% MFI</b>	26,567	45,922	12,250	28,982	113,721	48,232	38,963	87,195	200,916
<b>6. 31 to 50% MFI</b>	13,745	29,020	7,962	20,978	71,704	21,738	35,904	57,642	129,346
<b>10. Other Low-Income (51 to 80% MFI)</b>	6,255	20,496	7,278	18,545	52,573	9,765	51,908	61,672	114,245
<b>14. Moderate Income (81 to 95% MFI)</b>	963	2,498	1,603	2,285	7,348	2,031	20,817	22,848	30,196
<b>18. Total Households**</b>	48,723	101,416	32,405	72,825	255,368	85,858	204,161	290,019	545,387
<b>Year 2001 Projections: Households With Over 30-Percent Cost Burden</b>									
<b>1. Very Low Income (0 to 50% MFI)</b>	38,046	71,730	15,046	48,419	173,240	65,235	68,718	133,954	307,194
<b>2. 0 to 30% MFI</b>	25,123	44,092	9,838	27,987	107,040	45,392	36,385	81,777	188,817
<b>6. 31 to 50% MFI</b>	12,923	27,637	5,208	20,432	66,200	19,843	32,334	52,177	118,377
<b>10. Other Low-Income (51 to 80% MFI)</b>	5,912	17,902	2,213	17,863	43,891	8,693	45,161	53,854	97,744
<b>14. Moderate Income (81 to 95% MFI)</b>	886	1,811	240	2,051	4,988	1,828	17,623	19,451	24,439
<b>18. Total Households</b>	45,784	92,777	17,645	69,531	225,738	79,241	176,808	256,050	481,787
<b>Year 2001 Projections: Households With Over 50-Percent Cost Burden</b>									
<b>1. Very Low Income (0 to 50% MFI)</b>	18,669	40,803	7,976	29,888	97,336	28,132	41,730	69,862	167,198
<b>2. 0 to 30% MFI</b>	14,440	34,031	7,098	23,246	78,815	22,148	27,277	49,425	128,240
<b>6. 31 to 50% MFI</b>	4,230	6,772	878	6,642	18,521	5,984	14,453	20,437	38,958
<b>10. Other Low-Income (51 to 80% MFI)</b>	927	894	64	1,264	3,150	2,089	9,597	11,686	14,835
<b>14. Moderate Income (81 to 95% MFI)</b>	143	40	0	57	240	280	2,024	2,304	2,544
<b>18. Total Households</b>	19,895	41,787	8,040	31,221	100,943	30,976	56,584	87,560	188,503

\*\*Includes all income groups -- including those above 95% MFI

**Table 5B. Projected Need in 2002 by Income, Tenure and Family Type**

Households by Tenure, Income, & Family Type	Elderly 1 & 2 member households	Small Related (2 to 4)	Large Related (5 or more)	All Other Households	Total Renters	Elderly	All Other Owners	Total Owners	Total Households
<b>Year 2002 Projections: Households</b>									
1. Very Low Income (0 to 50% MFI)	76,176	108,550	25,169	67,984	277,879	156,349	118,601	274,951	552,830
2. 0 to 30% MFI	49,550	64,794	14,975	40,775	170,094	75,893	54,465	130,358	300,452
6. 31 to 50% MFI	26,626	43,757	10,193	27,209	107,785	80,457	64,136	144,593	252,378
10. Other Low-Income (51 to 80% MFI)	15,827	67,727	13,182	45,370	142,105	82,821	142,432	225,253	367,358
14. Moderate Income (81 to 95% MFI)	4,442	29,650	4,366	19,653	58,111	30,671	84,837	115,508	173,619
18. Total Households**	109,473	319,512	55,432	204,736	689,153	412,039	1,119,196	1,531,234	2,220,387
<b>Year 2002 Projections: Households With Housing Problems</b>									
1. Very Low Income (0 to 50% MFI)	40,875	75,988	20,494	50,657	188,014	70,948	75,912	146,859	334,873
2. 0 to 30% MFI	26,938	46,564	12,421	29,386	115,309	48,906	39,507	88,412	203,721
6. 31 to 50% MFI	13,937	29,425	8,073	21,270	72,705	22,042	36,405	58,447	131,152
10. Other Low-Income (51 to 80% MFI)	6,342	20,782	7,379	18,804	53,307	9,901	52,632	62,533	115,840
14. Moderate Income (81 to 95% MFI)	976	2,532	1,626	2,317	7,451	2,059	21,107	23,167	30,618
18. Total Households**	49,403	102,832	32,857	73,842	258,933	87,056	207,011	294,067	553,001
<b>Year 2002 Projections: Households With Over 30-Percent Cost Burden</b>									
1. Very Low Income (0 to 50% MFI)	38,577	72,731	15,256	49,095	175,659	66,146	69,678	135,824	311,483
2. 0 to 30% MFI	25,474	44,708	9,975	28,378	108,535	46,026	36,893	82,918	191,453
6. 31 to 50% MFI	13,103	28,023	5,280	20,717	67,124	20,120	32,785	52,905	120,029
10. Other Low-Income (51 to 80% MFI)	5,994	18,152	2,244	18,113	44,503	8,814	45,791	54,605	99,109
14. Moderate Income (81 to 95% MFI)	898	1,836	243	2,080	5,058	1,853	17,869	19,723	24,780
18. Total Households	46,424	94,072	17,891	70,502	228,889	80,348	179,277	259,625	488,514
<b>Year 2002 Projections: Households With Over 50-Percent Cost Burden</b>									
1. Very Low Income (0 to 50% MFI)	18,930	41,373	8,087	30,305	98,695	28,525	42,312	70,837	169,532
2. 0 to 30% MFI	14,641	34,506	7,197	23,570	79,915	22,458	27,658	50,115	130,031
6. 31 to 50% MFI	4,289	6,867	890	6,735	18,780	6,068	14,654	20,722	39,502
10. Other Low-Income (51 to 80% MFI)	940	907	65	1,282	3,194	2,118	9,731	11,849	15,042
14. Moderate Income (81 to 95% MFI)	145	41	0	58	243	284	2,052	2,336	2,579
18. Total Households	20,173	42,371	8,152	31,657	102,353	31,409	57,374	88,782	191,135

\*\*Includes all income groups -- including those above 95% MFI

**Table 5C. Projected Need in 2003 by Income, Tenure and Family Type**

Households by Tenure, Income, & Family Type	Elderly 1 & 2 member households	Small Related (2 to 4)	Large Related (5 or more)	All Other Households	Total Renters	Elderly	All Other Owners	Total Owners	Total Households
<b>Year 2003 Projections: Households</b>									
1. Very Low Income (0 to 50% MFI)	77,225	110,045	25,515	68,920	281,705	158,502	120,234	278,736	560,442
2. 0 to 30% MFI	50,232	65,686	15,182	41,337	172,436	76,938	55,215	132,153	304,589
6. 31 to 50% MFI	26,993	44,359	10,334	27,583	109,269	81,565	65,019	146,584	255,853
10. Other Low-Income (51 to 80% MFI)	16,045	68,659	13,364	45,994	144,062	83,962	144,393	228,355	372,417
14. Moderate Income (81 to 95% MFI)	4,503	30,058	4,427	19,924	58,911	31,093	86,005	117,098	176,010
18. Total Households**	110,980	323,911	56,195	207,555	698,642	417,712	1,134,606	1,552,318	2,250,960
<b>Year 2003 Projections: Households With Housing Problems</b>									
1. Very Low Income (0 to 50% MFI)	41,437	77,035	20,776	51,354	190,603	71,924	76,957	148,881	339,484
2. 0 to 30% MFI	27,309	47,205	12,592	29,791	116,897	49,579	40,051	89,630	206,526
6. 31 to 50% MFI	14,129	29,830	8,184	21,563	73,706	22,345	36,906	59,252	132,958
10. Other Low-Income (51 to 80% MFI)	6,429	21,068	7,481	19,063	54,041	10,037	53,357	63,394	117,435
14. Moderate Income (81 to 95% MFI)	990	2,567	1,648	2,349	7,554	2,088	21,398	23,486	31,039
18. Total Households**	50,083	104,248	33,309	74,859	262,499	88,255	209,862	298,117	560,615
<b>Year 2003 Projections: Households With Over 30-Percent Cost Burden</b>									
1. Very Low Income (0 to 50% MFI)	39,108	73,733	15,466	49,771	178,077	67,057	70,637	137,694	315,771
2. 0 to 30% MFI	25,825	45,324	10,113	28,768	110,029	46,659	37,401	84,060	194,089
6. 31 to 50% MFI	13,283	28,409	5,353	21,002	68,048	20,398	33,236	53,634	121,682
10. Other Low-Income (51 to 80% MFI)	6,077	18,402	2,275	18,362	45,116	8,936	46,421	55,357	100,473
14. Moderate Income (81 to 95% MFI)	911	1,862	247	2,108	5,127	1,879	18,116	19,994	25,121
18. Total Households	47,063	95,368	18,137	71,473	232,041	81,454	181,745	263,199	495,240
<b>Year 2003 Projections: Households With Over 50-Percent Cost Burden</b>									
1. Very Low Income (0 to 50% MFI)	19,190	41,943	8,199	30,723	100,054	28,918	42,895	71,813	171,867
2. 0 to 30% MFI	14,843	34,981	7,296	23,895	81,015	22,767	28,039	50,806	131,821
6. 31 to 50% MFI	4,348	6,961	902	6,828	19,039	6,151	14,856	21,007	40,046
10. Other Low-Income (51 to 80% MFI)	953	919	66	1,299	3,238	2,147	9,865	12,012	15,250
14. Moderate Income (81 to 95% MFI)	147	41	0	58	247	288	2,080	2,368	2,615
18. Total Households	20,451	42,954	8,264	32,092	103,762	31,841	58,164	90,005	193,767

\*\*Includes all income groups -- including those above 95% MFI

**Table 5D. Projected Need in 2004 by Income, Tenure and Family Type**

Households by Tenure, Income, & Family Type	Elderly 1 & 2 member households	Small Related (2 to 4)	Large Related (5 or more)	All Other Households	Total Renters	Elderly	All Other Owners	Total Owners	Total Households
<b>Year 2004 Projections: Households</b>									
<b>1. Very Low Income (0 to 50% MFI)</b>	78,274	111,540	25,862	69,856	285,531	160,655	121,867	282,522	568,054
<b>2. 0 to 30% MFI</b>	50,914	66,578	15,388	41,898	174,778	77,983	55,965	133,948	308,726
<b>6. 31 to 50% MFI</b>	27,360	44,962	10,474	27,958	110,753	82,672	65,902	148,575	259,328
<b>10. Other Low-Income (51 to 80% MFI)</b>	16,263	69,592	13,545	46,619	146,019	85,102	146,354	231,456	377,475
<b>14. Moderate Income (81 to 95% MFI)</b>	4,564	30,466	4,487	20,194	59,711	31,515	87,173	118,689	178,400
<b>18. Total Households**</b>	112,488	328,310	56,958	210,374	708,131	423,386	1,150,016	1,573,402	2,281,533
<b>Year 2004 Projections: Households With Housing Problems</b>									
<b>1. Very Low Income (0 to 50% MFI)</b>	42,000	78,081	21,059	52,052	193,192	72,901	78,002	150,904	344,095
<b>2. 0 to 30% MFI</b>	27,680	47,846	12,763	30,196	118,484	50,252	40,595	90,847	209,331
<b>6. 31 to 50% MFI</b>	14,321	30,235	8,295	21,856	74,707	22,649	37,408	60,057	134,764
<b>10. Other Low-Income (51 to 80% MFI)</b>	6,517	21,354	7,583	19,322	54,775	10,174	54,082	64,255	119,030
<b>14. Moderate Income (81 to 95% MFI)</b>	1,003	2,602	1,670	2,381	7,656	2,116	21,689	23,805	31,461
<b>18. Total Households**</b>	50,763	105,664	33,762	75,875	266,064	89,454	212,712	302,166	568,229
<b>Year 2004 Projections: Households With Over 30-Percent Cost Burden</b>									
<b>1. Very Low Income (0 to 50% MFI)</b>	39,639	74,734	15,676	50,447	180,496	67,968	71,597	139,564	320,060
<b>2. 0 to 30% MFI</b>	26,175	45,939	10,250	29,159	111,524	47,293	37,909	85,202	196,725
<b>6. 31 to 50% MFI</b>	13,464	28,795	5,426	21,288	68,972	20,675	33,688	54,362	123,335
<b>10. Other Low-Income (51 to 80% MFI)</b>	6,160	18,652	2,306	18,612	45,729	9,057	47,052	56,109	101,838
<b>14. Moderate Income (81 to 95% MFI)</b>	923	1,887	250	2,137	5,197	1,904	18,362	20,266	25,463
<b>18. Total Households</b>	47,702	96,663	18,384	72,443	235,192	82,560	184,214	266,774	501,966
<b>Year 2004 Projections: Households With Over 50-Percent Cost Burden</b>									
<b>1. Very Low Income (0 to 50% MFI)</b>	19,451	42,512	8,310	31,140	101,413	29,311	43,477	72,788	174,201
<b>2. 0 to 30% MFI</b>	15,044	35,457	7,395	24,220	82,116	23,076	28,420	51,496	133,611
<b>6. 31 to 50% MFI</b>	4,407	7,056	915	6,920	19,297	6,235	15,058	21,292	40,590
<b>10. Other Low-Income (51 to 80% MFI)</b>	966	932	66	1,317	3,282	2,176	9,999	12,175	15,457
<b>14. Moderate Income (81 to 95% MFI)</b>	149	42	0	59	250	292	2,109	2,400	2,650
<b>18. Total Households</b>	20,729	43,538	8,376	32,528	105,171	32,274	58,954	91,227	196,399

\*\*Includes all income groups -- including those above 95% MFI

**Table 5E. Projected Need in 2005 by Income, Tenure and Family Type**

Households by Tenure, Income, & Family Type	Elderly 1 & 2 member households	Small Related (2 to 4)	Large Related (5 or more)	All Other Households	Total Renters	Elderly	All Other Owners	Total Owners	Total Households
<b>Year 2005 Projections: Households</b>									
1. Very Low Income (0 to 50% MFI)	79,323	113,035	26,208	70,792	289,358	162,808	123,500	286,308	575,666
2. 0 to 30% MFI	51,597	67,470	15,594	42,459	177,120	79,028	56,715	135,743	312,863
6. 31 to 50% MFI	27,726	45,565	10,614	28,333	112,238	83,780	66,786	150,566	262,804
10. Other Low-Income (51 to 80% MFI)	16,481	70,525	13,727	47,244	147,976	86,243	148,315	234,558	382,534
14. Moderate Income (81 to 95% MFI)	4,625	30,875	4,547	20,465	60,512	31,937	88,342	120,279	180,791
18. Total Households**	113,995	332,710	57,722	213,193	717,620	429,059	1,165,427	1,594,486	2,312,106
<b>Year 2005 Projections: Households With Housing Problems</b>									
1. Very Low Income (0 to 50% MFI)	42,563	79,127	21,341	52,749	195,781	73,878	79,047	152,926	348,706
2. 0 to 30% MFI	28,051	48,487	12,934	30,600	120,072	50,926	41,139	92,065	212,137
6. 31 to 50% MFI	14,513	30,640	8,406	22,149	75,709	22,953	37,909	60,862	136,570
10. Other Low-Income (51 to 80% MFI)	6,604	21,640	7,684	19,581	55,509	10,310	54,807	65,116	120,626
14. Moderate Income (81 to 95% MFI)	1,017	2,637	1,693	2,412	7,759	2,144	21,979	24,124	31,883
18. Total Households**	51,443	107,079	34,214	76,892	269,629	90,652	215,562	306,215	575,844
<b>Year 2005 Projections: Households With Over 30-Percent Cost Burden</b>									
1. Very Low Income (0 to 50% MFI)	40,171	75,736	15,886	51,123	182,915	68,879	72,556	141,434	324,349
2. 0 to 30% MFI	26,526	46,555	10,387	29,550	113,018	47,927	38,417	86,344	199,362
6. 31 to 50% MFI	13,644	29,181	5,499	21,573	69,897	20,952	34,139	55,091	124,988
10. Other Low-Income (51 to 80% MFI)	6,242	18,902	2,336	18,861	46,342	9,178	47,683	56,861	103,203
14. Moderate Income (81 to 95% MFI)	936	1,912	253	2,166	5,267	1,930	18,608	20,537	25,804
18. Total Households	48,341	97,958	18,630	73,414	238,344	83,667	186,682	270,349	508,693
<b>Year 2005 Projections: Households With Over 50-Percent Cost Burden</b>									
1. Very Low Income (0 to 50% MFI)	19,712	43,082	8,421	31,557	102,772	29,703	44,060	73,763	176,535
2. 0 to 30% MFI	15,246	35,932	7,494	24,544	83,216	23,385	28,800	52,186	135,402
6. 31 to 50% MFI	4,466	7,150	927	7,013	19,556	6,318	15,260	21,578	41,134
10. Other Low-Income (51 to 80% MFI)	979	944	67	1,335	3,326	2,205	10,133	12,338	15,664
14. Moderate Income (81 to 95% MFI)	151	42	0	60	253	296	2,137	2,432	2,686
18. Total Households	21,006	44,121	8,489	32,964	106,581	32,706	59,744	92,450	199,030

\*\*Includes all income groups -- including those above 95% MFI

**Table 5F. HUD Table 2A.**

PRIORITY HOUSING NEEDS (households)		Priority Need Level High, Medium, Low		Unmet Need	Goals
Renter	Small Related	0-30%	H	63,009	3,065
		31-50%	H	42,552	1,475
		51-80%	M	65,862	24
	Large Related	0-30%	H	14,563	450
		31-50%	H	9,913	219
		51-80%	M	12,819	5
	Elderly	0-30%	H	48,185	895
		31-50%	H	25,893	477
		51-80%	M	15,391	40
	All Other	0-30%	L	39,652	0
		31-50%	L	26,459	0
		51-80%	L	44,120	0
Owner		0-30%	H	126,768	140
		31-50%	H	140,611	776
		51-80%	H	219,050	2054
Special Populations		0-80%	H	259,521	839
Total Goals					10,459
Total 215 Goals					6,650

**Table 6. Projected Need in 2000 & 2005 for White Households  
by Income, Tenure & Family Type**

Households by Tenure, Income, & Family Type	Elderly 1 & 2 member households	Small Related (2 to 4)	Large Related (5 or more)	All Other Households	Total Renters	Elderly	All Other Owners	Total Owners	Total Households
<b>Year 2000 Projections: Households</b>									
1. Very Low Income (0 to 50% MFI)	54,013	59,633	11,056	45,837	170,540	127,637	89,659	217,296	387,835
2. 0 to 30% MFI	33,165	31,929	5,412	26,838	97,344	59,992	41,101	101,093	198,437
6. 31 to 50% MFI	20,848	27,704	5,644	19,000	73,196	67,644	48,558	116,202	189,398
10. Other Low-Income (51 to 80% MFI)	12,923	48,303	8,237	33,669	103,132	72,909	112,668	185,577	288,709
14. Moderate Income (81 to 95% MFI)	3,737	22,292	2,949	14,968	43,947	27,451	68,639	96,090	140,036
18. Total Households**	82,210	221,834	31,325	152,602	487,971	358,110	937,457	1,295,566	1,783,538
<b>Year 2000 projections: Households With Housing Problems</b>									
1. Very Low Income (0 to 50% MFI)	27,921	42,170	8,946	34,597	113,634	55,342	55,668	111,010	224,644
2. 0 to 30% MFI	17,019	23,436	4,617	19,652	64,724	37,956	29,391	67,347	132,072
6. 31 to 50% MFI	10,902	18,734	4,328	14,945	48,909	17,386	26,276	43,662	92,572
10. Other Low-Income (51 to 80% MFI)	5,255	14,496	4,196	14,246	38,194	8,265	39,606	47,870	86,064
14. Moderate Income (81 to 95% MFI)	893	1,995	965	1,809	5,662	1,745	16,301	18,046	23,708
18. Total Households**	35,192	61,204	15,957	52,287	164,641	69,035	158,910	227,944	392,585
<b>Year 2005 Projections: Households</b>									
1. Very Low Income (0 to 50% MFI)	57,155	63,102	11,699	48,504	180,460	135,061	94,874	229,936	410,395
2. 0 to 30% MFI	35,094	33,786	5,727	28,399	103,006	63,482	43,492	106,974	209,980
6. 31 to 50% MFI	22,061	29,316	5,972	20,105	77,454	71,579	51,383	122,962	200,415
10. Other Low-Income (51 to 80% MFI)	13,674	51,113	8,716	35,627	109,131	77,150	119,221	196,372	305,503
14. Moderate Income (81 to 95% MFI)	3,955	23,589	3,121	15,839	46,503	29,047	72,632	101,679	148,182
18. Total Households**	86,992	234,738	33,148	161,479	516,356	378,940	991,988	1,370,928	1,887,284
<b>Year 2005 Projections: Households With Housing Problems</b>									
1. Very Low Income (0 to 50% MFI)	29,545	44,623	9,466	36,610	120,244	58,562	58,906	117,467	237,711
2. 0 to 30% MFI	18,009	24,799	4,886	20,795	68,489	40,164	31,101	71,265	139,754
6. 31 to 50% MFI	11,536	19,823	4,580	15,815	51,754	18,398	27,805	46,202	97,957
10. Other Low-Income (51 to 80% MFI)	5,561	15,339	4,441	15,075	40,415	8,745	41,910	50,655	91,070
14. Moderate Income (81 to 95% MFI)	944	2,111	1,021	1,914	5,991	1,847	17,249	19,095	25,087
18. Total Households**	37,239	64,765	16,885	55,329	174,218	73,050	168,153	241,204	415,422

\*\*Includes all income groups -- including those above 95% MFI

**Table 7. Projected Need in 2000 & 2005 for Black Households  
by Income, Tenure and Family Type**

Households by Tenure, Income, & Family Type	Elderly 1 & 2 member households	Small Related (2 to 4)	Large Related (5 or more)	All Other Households	Total Renters	Elderly	All Other Owners	Total Owners	Total Households
<b>Year 2000 Projections: Households</b>									
1. Very Low Income (0 to 50% MFI)	19,386	44,829	13,262	18,533	96,011	21,859	23,496	45,355	141,365
2. 0 to 30% MFI	14,794	30,926	9,225	11,874	66,820	12,714	10,978	23,692	90,512
6. 31 to 50% MFI	4,592	13,903	4,037	6,659	29,191	9,145	12,518	21,663	50,854
10. Other Low-Income (51 to 80% MFI)	2,116	15,946	4,320	9,360	31,742	5,935	22,948	28,883	60,625
14. Moderate Income (81 to 95% MFI)	439	5,720	1,204	3,644	11,006	1,681	11,950	13,631	24,638
18. Total Households**	22,766	81,587	21,715	40,583	166,651	34,326	123,697	158,024	324,674
<b>Year 2000 projections: Households With Housing Problems</b>									
1. Very Low Income (0 to 50% MFI)	11,539	30,731	10,785	13,410	66,465	12,651	16,719	29,370	95,835
2. 0 to 30% MFI	9,144	21,654	7,491	8,345	46,634	8,959	8,371	17,331	63,965
6. 31 to 50% MFI	2,395	9,077	3,294	5,065	19,831	3,692	8,348	12,039	31,870
10. Other Low-Income (51 to 80% MFI)	734	5,085	2,853	3,483	12,154	1,190	10,283	11,473	23,628
14. Moderate Income (81 to 95% MFI)	21	356	576	389	1,342	203	3,646	3,849	5,191
18. Total Households**	12,309	36,849	15,579	17,533	82,270	14,314	37,073	51,386	133,657
<b>Year 2005 Projections: Households</b>									
1. Very Low Income (0 to 50% MFI)	21,166	48,945	14,479	20,235	104,825	23,866	25,653	49,519	154,344
2. 0 to 30% MFI	16,153	33,765	10,072	12,964	72,954	13,882	11,986	25,867	98,821
6. 31 to 50% MFI	5,013	15,180	4,407	7,271	31,871	9,984	13,667	23,651	55,522
10. Other Low-Income (51 to 80% MFI)	2,310	17,410	4,716	10,219	34,656	6,480	25,055	31,535	66,191
14. Moderate Income (81 to 95% MFI)	479	6,245	1,314	3,978	12,017	1,835	13,048	14,883	26,899
18. Total Households**	24,856	89,077	23,708	44,308	181,950	37,478	135,053	172,531	354,481
<b>Year 2005 Projections: Households With Housing Problems</b>									
1. Very Low Income (0 to 50% MFI)	12,598	33,552	11,775	14,641	72,567	13,813	18,254	32,066	104,633
2. 0 to 30% MFI	9,983	23,642	8,179	9,111	50,915	9,782	9,140	18,922	69,837
6. 31 to 50% MFI	2,615	9,910	3,596	5,530	21,652	4,031	9,114	13,145	34,796
10. Other Low-Income (51 to 80% MFI)	802	5,552	3,114	3,803	13,270	1,299	11,227	12,527	25,797
14. Moderate Income (81 to 95% MFI)	23	389	629	425	1,465	221	3,981	4,202	5,668
18. Total Households**	13,439	40,232	17,010	19,143	89,823	15,628	40,476	56,104	145,927

\*\*Includes all income groups -- including those above 95% MFI



**Table 8. Projected Need in 2000 & 2005 for Hispanic Households  
by Income, Tenure & Family Type**

Households by Tenure, Income, & Family Type	Elderly 1 & 2 member households	Small Related (2 to 4)	Large Related (5 or more)	All Other Households	Total Renters	Elderly	All Other Owners	Total Owners	Total Households
<b>Year 2000 Projections: Households</b>									
1. Very Low Income (0 to 50% MFI)	542	2,164	669	1,311	4,686	1,004	1,251	2,254	6,941
2. 0 to 30% MFI	335	1,037	338	558	2,266	564	434	998	3,264
6. 31 to 50% MFI	208	1,127	332	753	2,420	440	817	1,257	3,677
10. Other Low-Income (51 to 80% MFI)	121	1,465	470	1,034	3,089	344	1,293	1,636	4,725
14. Moderate Income (81 to 95% MFI)	108	654	57	476	1,296	163	1,148	1,311	2,607
18. Total Households**	883	6,627	1,522	4,490	13,522	2,025	11,362	13,387	26,909
<b>Year 2000 projections: Households With Housing Problems</b>									
1. Very Low Income (0 to 50% MFI)	283	1,552	639	970	3,445	552	946	1,498	4,942
2. 0 to 30% MFI	181	678	328	335	1,522	371	353	723	2,245
6. 31 to 50% MFI	102	874	310	636	1,923	181	594	775	2,697
10. Other Low-Income (51 to 80% MFI)	84	527	244	536	1,392	63	802	865	2,257
14. Moderate Income (81 to 95% MFI)	18	99	12	42	172	30	371	401	573
18. Total Households**	386	2,278	925	1,645	5,235	651	3,134	3,785	9,020
<b>Year 2005 Projections: Households</b>									
1. Very Low Income (0 to 50% MFI)	789	3,148	973	1,907	6,818	1,460	1,820	3,280	10,098
2. 0 to 30% MFI	487	1,508	491	811	3,297	820	631	1,451	4,749
6. 31 to 50% MFI	303	1,640	482	1,096	3,521	640	1,188	1,828	5,350
10. Other Low-Income (51 to 80% MFI)	175	2,131	684	1,504	4,494	500	1,881	2,381	6,875
14. Moderate Income (81 to 95% MFI)	158	952	83	693	1,885	237	1,671	1,907	3,793
18. Total Households**	1,285	9,642	2,214	6,533	19,675	2,947	16,531	19,478	39,153
<b>Year 2005 Projections: Households With Housing Problems</b>									
1. Very Low Income (0 to 50% MFI)	412	2,258	930	1,412	5,012	802	1,377	2,179	7,191
2. 0 to 30% MFI	263	987	478	487	2,214	539	513	1,052	3,267
6. 31 to 50% MFI	149	1,272	452	925	2,798	263	864	1,127	3,924
10. Other Low-Income (51 to 80% MFI)	123	767	355	781	2,026	92	1,166	1,258	3,284
14. Moderate Income (81 to 95% MFI)	26	145	18	61	250	44	539	583	833
18. Total Households**	561	3,315	1,346	2,394	7,617	947	4,560	5,507	13,124

\*\*Includes all income groups -- including those above 95% MFI

**Table 9. Projected Need in 2000 & 2005 for Other Households  
by Income, Tenure & Family Type**

Households by Tenure, Income, & Family Type	Elderly 1 & 2 member households	Small Related (2 to 4)	Large Related (5 or more)	All Other Households	Total Renters	Elderly	All Other Owners	Total Owners	Total Households
<b>Year 2000 Projections: Households</b>									
1. Very Low Income (0 to 50% MFI)	398	2,149	610	1,837	4,995	430	1,318	1,747	6,743
2. 0 to 30% MFI	205	1,168	302	1,172	2,846	207	530	737	3,582
6. 31 to 50% MFI	194	982	309	665	2,149	223	788	1,011	3,160
10. Other Low-Income (51 to 80% MFI)	172	1,212	197	629	2,210	172	1,473	1,645	3,855
14. Moderate Income (81 to 95% MFI)	55	547	106	247	954	82	729	812	1,766
18. Total Households**	667	6,207	1,183	4,319	12,376	987	10,758	11,745	24,121
<b>Year 2000 projections: Households With Housing Problems</b>									
1. Very Low Income (0 to 50% MFI)	243	1,762	552	1,252	3,809	238	1,035	1,272	5,081
2. 0 to 30% MFI	110	936	252	700	1,998	126	435	561	2,559
6. 31 to 50% MFI	133	826	300	552	1,811	111	600	711	2,522
10. Other Low-Income (51 to 80% MFI)	91	565	146	313	1,115	22	941	963	2,078
14. Moderate Income (81 to 95% MFI)	13	69	69	26	177	18	384	402	579
18. Total Households**	366	2,630	879	1,682	5,556	285	3,663	3,948	9,505
<b>Year 2005 Projections: Households</b>									
1. Very Low Income (0 to 50% MFI)	515	2,779	789	2,375	6,459	555	1,704	2,259	8,718
2. 0 to 30% MFI	265	1,510	390	1,515	3,680	267	685	952	4,632
6. 31 to 50% MFI	251	1,269	399	860	2,779	288	1,019	1,307	4,086
10. Other Low-Income (51 to 80% MFI)	222	1,567	255	813	2,857	222	1,905	2,127	4,984
14. Moderate Income (81 to 95% MFI)	71	707	137	319	1,234	106	943	1,049	2,283
18. Total Households**	863	8,026	1,529	5,584	16,002	1,276	13,910	15,186	31,188
<b>Year 2005 Projections: Households With Housing Problems</b>									
1. Very Low Income (0 to 50% MFI)	314	2,278	714	1,619	4,925	307	1,338	1,645	6,570
2. 0 to 30% MFI	142	1,210	326	905	2,583	163	562	726	3,309
6. 31 to 50% MFI	173	1,068	388	714	2,342	144	775	919	3,261
10. Other Low-Income (51 to 80% MFI)	118	730	189	404	1,442	28	1,217	1,245	2,687
14. Moderate Income (81 to 95% MFI)	17	90	90	33	229	24	496	520	749
18. Total Households**	473	3,401	1,137	2,174	7,184	369	4,736	5,105	12,289

\*\*Includes all income groups -- including those above 95% MFI

Additional housing related needs are reflected in a survey conducted by the HOME program to determine if the program addresses the housing needs of communities within the state. THDA sent out a total of 850 surveys to Mayors, Non-profit organizations, Development Districts, Consultants, etc. THDA received completed surveys from approximately 21% of those surveyed with almost equal representation from the each grand division of the state. Overall, the results affirmed that housing needs of communities are being addressed through the HOME program. Following are specific results of the survey: (The survey instrument is included as Appendix 2.)

When respondents were asked to rank in order, from one to three, the type of activity most needed in their jurisdiction, 54% ranked owner-occupied rehabilitation as the most pressing need. Twenty-nine percent ranked tenant-occupied housing as the number one need and 19% listed homeownership as the number one need.

The following responses were related to administering of HOME grant by THDA: Seventy-six percent of respondents wanted the minimum allocation to remain at the \$100,000 limit, while 18% wanted an increase to between \$150,000 and 350,000. Eighty-five percent of respondents wanted the maximum amount to remain at \$500,000 limit, while 13% wanted an increase to between 550,000 to 2,000,000.

The survey also asked about the appropriate per county limit on HOME funds, which currently stands at ten percent of total funds going to any one county. About 85% of respondents indicated that this was the appropriate amount. Additional survey results are listed in Appendix 3.

### *Barriers to Affordable Housing and Reduction of Barriers*

A number of barriers to affordable housing exist in the state and vary in different areas of the state. For example, some communities are growing at such a rapid rate with increasing cost of housing and land that low-income and even moderate-income individuals are unable to afford homes. On the other hand, other communities in the state experience little to no growth and little opportunities for employment making quality affordable housing difficult to find. Still there are factors common in all areas of the state that potentially create barriers to housing. However, several prominent barriers are listed below along with the strategies to reduce them.

#### **Dislocation of Low-Income Workers**

Some redevelopment and infrastructure projects result in the dislocation of low-income persons. In some cases, although vouchers may be used to replace units, many low-income individuals are unable to find affordable or available housing in the area because landlords can often-times find non-voucher holding tenants at a higher rental rate than is often available from voucher holders.

Lack of infrastructure such as sewer systems, and/or poor water sources, does little to promote the construction of affordable housing or the rehabilitation of existing housing structures. The state addresses this issue by continuing to devote a large portion of its CDBG dollars to address this barrier.

Lack of state funds toward creating or rehabilitating affordable housing reduces the number of low-income persons that can be assisted with housing. Also, the number of existing dilapidated

structures in the state decreases the amount of affordable safe housing available to low-income persons. THDA continues to seek state funds for housing as well as dedicating a significant portion of its HOME program funds for housing rehabilitation. The portion of CDBG funds used for housing also goes toward housing rehabilitation.

Improved economic conditions with low unemployment rates in the state have contributed to the increasing cost of housing. Thus many poor persons in the state, although they may be employed, are still unable to find housing at or below 30% of their income. (Please see section on housing cost burden.)

**The state addresses these barriers through the following goals:**

- ◆ Increase the amount of affordable housing stock
- ◆ Rehabilitate the current housing stock to maintain affordable units and decrease the number of deteriorated units.
- ◆ Provide infrastructure improvements to encourage the construction of affordable homes and rehabilitation of existing homes.
- ◆ Encourage the preservation of existing affordable housing units
- ◆ Use housing subsidies to make housing more affordable to low-income families

**Homeless Needs and Other Special Needs Populations**

*Homelessness*

All 95 counties in the State of Tennessee receive some type of homeless services. The extent and scope of those services vary greatly depending on the area. The services are possible through the Emergency Shelter Grant, Community Service Block Grant program, and through McKinney Act Funds used in a variety of programs in the state. The vast majority of homeless shelters and services are found in larger areas. The scope of services received by homeless populations in the state include: emergency shelters, transitional housing, domestic violence shelters, food pantries, supportive services, crisis hotlines, congregate meal sites, and programs for homeless children.

Occupancy rates in homeless shelters remain high, especially during the winter months. Providers attending Consolidated Plan public meetings throughout the state reported an increase in women with mental illnesses seeking shelter care, women with children who have special developmental needs, and working poor families unable to afford food and shelter. Rural communities in the state have the added need for transportation because many of the supportive services needed by clients are miles away from the shelter. Also, because rural residents are spread over a larger geographical area, fewer shelter facilities can be maintained and supported. Because rural homeless are less likely to be found on the street, rural homeless providers often have difficulty convincing county governments and others that the problem of homelessness exists in their area.

Other factors affecting homeless providers is the needs of “sub populations” or those homeless persons with mental illness, drug/alcohol addictions, persons diagnosed with AIDS. Recent survey information provided by the Mental Health Planning Council’s *1998 Housing Survey Results for Adults with Mental Illness* reflects approximately 3,000 mentally ill homeless adults in the state. The *Homelessness and Poverty in America Report*, of the National Law Center on Homelessness and Poverty provides the following data regarding the homeless population: 25-40% work, 37% are families with children, 25% are children, 25-30% are mentally disabled, 30% are veterans, and 40% are drug or alcohol dependent. In addition almost all are in need of healthcare and other types of services.

Many of these families have the added responsibility of homeless children. According to information provided by the State of Tennessee Department of Education’s *Education for Homeless Youth Report*, there are approximately 9,664 homeless children/youth. Of that number, 3,790 (39 percent) are birth through pre-kindergarten. Thirty-two percent, or 3,158 children are in kindergarten through fifth grade. It is important to note that the homeless youth program uses McKinney Act dollars that allow children/youth who are doubled or tripled up with other families to be counted as homeless. HUD guidelines however, do not allow persons doubled up to be counted as homeless. However, of the total number of children reported as homeless, 2,223, or 23%, were in shelter care. The following were reported as major needs for homeless children: Remedial help/tutoring, free lunch/breakfast, medical services, counseling, transportation, school supplies, parent training/involvement, case management, transportation, records transfer, and pre-school programs.

### *Continuum of Care*

Since 1987 and the beginning of the McKinney Act, the policy of the State of Tennessee has been to support local decision-making in providing and developing new homeless services. Between 1987 and 1991 the State funded a full-time Homeless Coordinator position to lay this groundwork and help build local capacity.

This position had the following primary responsibilities:

1. To ensure local governments and community-based non-profit agencies had accurate and timely information about the availability of McKinney Act funds;
2. To coordinate opportunities for State agencies to make homeless persons priority or target populations for existing state programs;
3. To assist local homeless coalitions in building capacity to better advocate for homeless persons in their communities;
4. To assist in the development of the Tennessee Coalition for the Homeless, including hosting two statewide homeless conferences;
5. Staffing the Legislative Sub-Committee on the Homeless, and the Committee’s ongoing review of its 1987 Report and Findings on Homelessness in Tennessee; and

## 6. Preparing the state's early Comprehensive Homeless Assistance Plans.

In addition, the State also applied for and received two McKinney Act discretionary grant awards:

- Permanent Housing for the Handicapped (Department of Mental Health)
- SAFAH (Department of Human Services)

Throughout the HUD consolidation of housing and homeless State Plans, the emergence of the HOME program, and the evolution of the various McKinney Act supportive housing programs into the Continuum of Care, the State of Tennessee position has remained one of support of local, community-based supportive housing solutions. Particularly in the initial Continuum of Care years, the State, through the Homeless Coordinator's office in the Department of Human Services, consulted directly with local governments and regional consortia applying for Continuum of Care funds. Continuum of Care technical assistance included:

- reviewing draft narrative materials;
- researching supplemental funding sources to complement C of C program activities;
- guidance on relevant HUD program regulations;
- developing strategies for successful program implementation; and
- serving on a local project priority review team.

Today, Tennessee's Continuum of Care includes the four large urban areas (Memphis, Nashville, Knoxville, and Chattanooga), and Buffalo Valley (66 rural and suburban counties, generally from Crossville west to the Mississippi River.) The State has no plan to develop Continuum of Care activities in the remaining East Tennessee counties. The State will support regional efforts as has occurred in Southeast Tennessee (CADAS) and Upper East (Johnson City). The State does not currently have the administrative capacity with available resources to manage a new Continuum of Care project for the remaining unserved Tennessee counties.

However, the State will continue to use other mechanisms to support local solutions to homelessness.

As one example, the Department of Human Services uses available ESG funds to stimulate the development of increased homeless services statewide.

The Department's ESG small city setaside has led to an increase in local resources for homeless programs. Cities such as Jackson, Clarksville, and Johnson City now use CDBG funds to match ESG or to supplement ESG-funded activities.

The \$100,000 unmatched portion of ESG funds is allocated to the State's 22 Community Service Block Grant (CSBG) agencies for defined prevention activities. These agencies in turn utilize additional CSBG funds for emergency

services for homeless people, as well as participation in other CSBG-funded activities (job training, GED preparation, housing search, etc.)

ESG funds have also been used to fund homeless employment demonstration programs that have led to increased participation by homeless people in JTPA programs.

Another more recent example is a new initiative emerging out of the Department of Mental Health. This new housing initiative will provide targeted consultation to up to seven Tennessee communities to develop supportive housing for mental health consumers, many of which have been homeless or are at risk of homelessness.

In essence, the State's Continuum of Care includes three general strategies:

1. To provide technical assistance to local organizations seeking Continuum of Care funding;
2. To identify barriers in related state managed programs to ensure equal access by homeless people; and
3. To maximize the use of existing McKinney Act funds made available to the State to support local solutions to homelessness.

### **Homeless and Special Needs Population**

Table 10 for the State Consolidated Plan represents all 95 counties. The Table is a statewide extrapolation of data from several sources, including material from local Continuum of Care recipients, and related data compiled from State Emergency Shelter Grant applicants.

Current Continuum of Care recipients provide services in 81 of the State's 95 counties. The remaining 14 counties include most of Upper East Tennessee and many of the eastern border counties of the state. These 14 counties comprise 13% of the state population, but are home to almost 14% of the state's poor population, and 15.7% of the state's unemployed. Including Morristown and the Tri-Cities, these counties account for almost 20% of the state's estimated homeless population. 20% of the data elements provided in Table 10 then represent a measure of the need in the 14 remaining counties not currently included in local Continuum of Care Plans.

The 14 counties are Carter, Cocke, Grainger, Greene, Hamblen, Hancock, Hawkins, Jefferson, Johnson, Monroe, Sevier, Sullivan, Unicoi, and Washington.

### **Explanatory Notes for Table 10 (opposite page)**

1. Dental, health care, transportation, respite care
2. Ex-offenders, other undefined
3. Most available inventory is unaffordable
4. Understated unmet need, as Chattanooga states excess availability
5. Child care, health care, transportation

**Table 10. HUD Table 1a  
Homeless and Special Needs Population**

		<b>Estimated Need</b>	<b>Current Inventory</b>	<b>Unmet Need / Gap</b>	<b>Relative Priority</b>
<b>Individuals</b>					
<b>Example</b>	<b>Emergency Shelter</b>	<b>115</b>	<b>89</b>	<b>26</b>	<b>M</b>
<b>Beds / Units</b>	Emergency Shelter	4,714	2,291	2,423	M
	Transitional Housing	6,625	2,093	4,532	M+
	Permanent Housing	7,610	2,980	4,630	H
	Total	18,949	7,364	11,585	H
<b>Estimated Supportive Services Slots</b>	Job Training	8,760	2,534	6,226	M
	Case Management	19,231	3,064	16,167	H-
	Substance Abuse Treatment	10,626	1,515	9,110	H+
	Mental Health Care	11,464	2,150	9,314	H
	Housing Placement	13,621	3,201	10,420	H-
	Life Skills Training	9,021	1,256	7,765	L+
	Other (1)	10,678	1,256	9,422	M+
<b>Estimated Sub- populations</b>	Chronic Substance Abusers	4,830	1,905	2,925	H
	Seriously Mentally Ill	6,336	1,736	4,600	H
	Dually - Diagnosed	3,850	1,071	2,779	H-
	Veterans	4,963	1,287	3,676	H
	Persons with HIV/AIDS	1,591	316	1,275	M
	Victims of Domestic Violence	2,296	465	1,831	M+
	Youth	723	118	605	L+
	Other (2)	679	635	44	L
<b>Persons in Families with Children</b>					
<b>Example</b>	<b>Emergency Shelter</b>	<b>115</b>	<b>89</b>	<b>26</b>	<b>M</b>
<b>Beds / Units</b>	Emergency Shelter	3,616	980	2,636	M+
	Transitional Housing	4,912	1,146	3,766	H
	Permanent Housing (3)	5,035	4,423	612	H+
	Total	13,563	6,549	7,014	H+
<b>Estimated Supportive Services Slots</b>	Job Training	4,613	771	3,842	M
	Case Management	7,744	974	6,770	M+
	Substance Abuse Treatment	3,548	257	3,291	H
	Mental Health Care	3,730	304	3,426	M
	Housing Placement (4)	6,514	4,272	2,242	M+
	Life Skills Training	5,100	849	4,251	L+
	Other (5)	5,944	456	5,488	H
<b>Estimated Sub- populations</b>	Chronic Substance Abusers	2,770	170	2,600	H
	Seriously Mentally Ill	1,516	562	954	M+
	Dually – Diagnosed	1,270	199	1,071	M
	Veterans	844	631	213	M
	Persons with HIV/AIDS	515	20	495	M
	Victims of Domestic Violence	5,703	510	5,193	H
	Youth	1,125	0	1,125	L
	Other (4)	1,476	759	717	L



### *Persons at Risk for Homelessness*

Although the economy in the state continues to improve with low unemployment, many persons in the state remain at risk for homelessness. Many of those persons at risk for homelessness share similar characteristics:

- Single heads of household
- Low levels of education
- Unemployment/Under Employment
- Live in substandard housing units
- Are unable to afford adequate healthcare
- Lack the necessary supports such as childcare, transportation
- Pay 30 to 70 percent of their income to cover housing cost
- Are female

One of the greatest potentials for homelessness is the inability to pay rent or utility bills. Required payments of deposits for rental units and utilities intensify if a low-income family tries to move. Another related risk factor is the lack of affordable housing. Approximately 109,000 Tennesseans with incomes 0-30% of the median have a housing cost burden of over 50%. (See Figure 1)

Rural homeless are especially affected by these factors including the lack of jobs or inadequate transportation to get to jobs, availability of low-income housing, and other economic and personal problems.

The issue of persons at risk for homelessness in the state is addressed through the use of homeless prevention funds provided through the Emergency Shelter Grant Program. In addition, the new State of Tennessee Workforce Investment Plan has the potential to assist those persons at risk for homelessness by providing the necessary housing, transportation, child care, and job training related supports needed to assist families.

Even with these efforts, homeless providers continue to face the issue of inadequate funding streams as well as difficulty meeting the state match requirements for funds. Rural providers continue to face feelings of isolation because although they know homelessness is a key factor, lack of homeless persons living on the street makes it difficult to get a visual picture of the plight of homelessness when talking to local officials about funding.

The state must work with communities to improve local efforts to address homelessness through bringing together groups that can serve this population by combining resources. The state must also explore alternative methods for providing match dollars for homeless providers so that their funds can be used for much needed services, facilities and staff.

### *Other Special Needs Populations*

Other special needs populations in the state include the following: Elderly, Persons with Mental illness and Mental Retardation, persons with AIDS, persons with disabilities, and persons with alcohol or other drug addictions.

#### Special Needs Population Estimates:

##### *Elderly*

Estimates for the State of Tennessee reflect an overall growth in the elderly population over the next five years. However, several factors and statistics emerge for the elderly in the state. The 1990 census data reflect 20.9% in poverty. Fifty-one percent of elderly with incomes 0-30 % of the median have a housing cost burden. In addition, elderly face increased medical costs and the need for social service related activities or in-home medical assistance. Although the number of assisted living facilities providing these services is on the rise, they remain unaffordable to the poor and even some middle class Tennesseans according to the Tennessee Commission on Aging.

The most recent census data (1990) reports that nationally, in 1989, 11.4% of the elderly had incomes below the poverty level, while the rate in Tennessee was 20.9%.

“Of the 9 million Americans over age 65 who live alone, two million say they have no one to turn to if they need help. Lack of a caregiver is a serious problem for older persons because, as people age, the number of chronic conditions and limitations on their ability to care for themselves and their homes increase, as does the amount of money they must spend on health care. Yet, 80 percent of those living alone are women and nearly half of people aged 85 or older live alone.” [*Administration on Aging, Elder Facts, 1994*].

According to 1990 Census data, of the 215,140 Tennesseans over age 60 living alone, 170,989 are female and 44,150 male.

Selected housing characteristics described in data from the 1990 Census indicate unmet needs among the older population. In all housing units with householders over 65 years of age, 3.6% do not have a telephone and 22.2% do not have a vehicle available for transportation. In owner-occupied units with householders 65+, 1.9% are without complete plumbing and about one percent without complete kitchen facilities. In renter-occupied housing units, 3.2% are without complete plumbing facilities, and 2.2% without complete kitchen facilities. These data indicate, for example, that about 21,500 units with elderly householders are without complete plumbing, and a little over 13,000 without complete kitchen facilities. Households without telephones and available vehicles are not likely to have good access to community services and resources.

The growth rate of this segment of the population is also a factor to be considered. While the under-65 population grew by only eight percent between 1981-1991, the 85+ population skyrocketed at a rate of 35%. By the year 2003, the number of older whites is projected to increase by 97%, older blacks by 265%, and older Hispanics by 530%. [*Administration on*

*Aging, Elder Facts*]. Senior Tennesseans are also remaining rural. When one compares the numbers of senior Tennesseans that live in urban versus rural areas, the urban/rural breakout stays roughly around a 60% urban to 40% rural ratio. The 1990 census shows that Tennesseans of all ages were distributed 60.9% urban to 39.1% rural, and Tennesseans 62+ were 61.6% urban to 38.4% rural. As Tennesseans age, there is less than a 10% shift from rural to urban locales. However, this shift is not evident until persons reach ages 80–84. It is only significantly noticeable in the 85-plus age segment.

#### *Persons with Mental Illness*

The housing needs of persons with mental illness continues to be a major issue in the state. The Mental Health Planning Council's *1998 Housing Survey Results for Adults with Mental Illness* report the following information on persons with mental illness and their housing needs:

- Number of Adults with Mental Illness: 249,022
- Number receiving services: 89,051
- Number receiving case management: 10,192
- Number of Homeless mentally ill 2,965

Unmet housing needs of mentally ill persons in the state by type and number of units:

- Group home beds: 448
- One bedroom apartments: 1,242
- Two/three bedroom: 622
- Specialized group home beds: 297

Please note that the numbers reported for mentally ill individuals in the state is currently under review in part because reported numbers may be less than the actual. The State of Tennessee has commissioned a study of affordable housing for the mentally ill to be completed by August 1, 2000.

#### *Persons with Developmental Disabilities*

Services for individuals with mental retardation are coordinated through three regional offices in the state. Community-based services are provided by private agencies that contract with the state. Three state-operated developmental centers provide residential care for individuals with profound or severe retardation who may have multiple handicaps. Individuals living in developmental centers require 24-hour care in a closely supervised setting. Specific housing-related services provided by the DMHMR are as follows:

<b>Housing Related Services</b>	<b>Total Persons</b>
Group Homes	1,080
Supported Living	1,423
Foster Care	237
Rental Assistance	581

Goals related to this population are to create homeownership opportunities for persons with disabilities as well providing better education on fair housing laws and compliance in the state.

#### *Persons with AIDS/AIDS Related Illnesses*

AIDS cases in the State of Tennessee have been reported since 1982 and HIV has been reported since 1992. In the State of Tennessee *1997 Statewide Coordinated Statement of Need*, the following statistical information is provided on the AIDS population in the state. Currently, 7,178 people are known to be living with AIDS/HIV in the state. Of these reported cases, 2,998 (41.8%) have been diagnosed with AIDS and 4,180 (58.2%) are HIV infected only. The larger metropolitan areas show higher percentages of infections than rural areas. However, all counties in Tennessee have at least one reported case of AIDS and HIV.

Seventy-eight percent of people known to be living with AIDS/HIV are men and 22% are women. Fifty-four percent are African Americans and 44% are Caucasian; one percent is Hispanic and slightly less than one percent are Native American, Aleutian/Eskimo or Asian Pacific Islander.

Approximately forty-two percent of persons living with AIDS/HIV are age 30-39, thirty-two percent are age 20-29, and seventeen percent are age 40-49. Approximately four percent are age 13-19 and four percent are age 50 or older; one percent is infants or children under the age of 12.

Income level data for persons living with AIDS/HIV collected through the Ryan White Drug assistance and HOPWA programs from the 1996-97 grant year show, eighty-five to ninety percent had incomes less than two hundred percent of the federal poverty level. Also important to note is an increase in the number of women living with AIDS/HIV, and the diagnoses of persons infected with HIV at younger ages.

The report also lists the following housing or supportive service-related needs for individuals living with AIDS/HIV:

Housing and utility assistance; greater fair housing-related education since many persons with AIDS become disabled; greater public education and prevention especially in those communities seeing an increase in AIDS/HIV infection; medical coverage, and case management.

Although the specific amounts and numbers may vary for special needs populations and programs in the state, several factors however are consistent for this population:

- Most are low- or very low-income,
- Affordable housing and supportive services are a priority.

#### *Priority Non-Housing Community Development Needs*

Non-housing community development needs are generally categorized as economic development, public services, recreational/cultural facilities, utilities and sanitation, human resource development, health and protective services.

The state used two primary methods of determining needs and priorities for this area, surveys and community meetings that gave persons the opportunity to discuss this and provide feedback. The results of both are listed below.

The survey instrument used can be found in **Appendix 4**. Notice of the survey was publicized in regional newspapers. The Department of Economic and Community Development (ECD) sent out approximately 1,000 surveys. Of that number, 445 were returned, giving a response rate of 44.5%. Of the total respondents, 254 were local officials and county executives, 178 were from individuals with varying degrees of relationship to the CDBG program, and 13 respondents identified themselves as community residents. In addition, announcements were made at meetings with public housing authorities urging them to contact ECD if they did not receive a survey.

To evaluate the CDBG program's allowable activities and priorities, a comparison was done of locally elected official respondents versus other respondents. The two groups were surprisingly similar in their responses. (Survey results are located in Appendix 5)

<u>Category</u>	<u>Percent Total</u>	<u>Percent Elected Officials</u>
Water and Sewer Systems	19.42	20.69
Water and Sewer Line Extensions	17.70	18.21
Economic Development	15.62	16.43
Fire Protection	9.90	10.61
Housing Rehabilitation	7.57	6.50
Recreation	6.41	6.72
Drainage/Flood Control	5.75	4.79
Emergency Equipment	5.28	5.27
Community Centers	4.76	4.17
Health Clinics	3.96	3.78
Micro-Enterprise Development	2.85	2.29
Other	.77	.55

The second method involved in determining priorities for non-housing related community development activities were meetings in the nine development districts of the state. Although overall, comments on priorities for community development needs were consistent with the survey, several other concerns emerged. These included requests by homeless providers that CDBG-funded activities be extended to include homeless programs, along with requests by two of the metropolitan areas to be allowed to receive CDBG funds even though they currently receive their own funds directly from HUD. The state notes that activities for homeless individuals are eligible under the Community Livability portion of CDBG funds. Homeless providers are encouraged to work with local governments to have applications submitted to CDBG for homeless programs under this category.

Further evaluation of needs for non-housing community development programs were through the use of national surveys that included state needs. In the Environmental Protection Agency's

*(EPA) 1996 Clean Water Needs Survey to Congress*, the following information was reported: The total 1996 national documented and model needs are estimated to be \$139.5 billion. The total includes \$44.0 billion for wastewater treatment; \$10.3 billion for upgrading existing wastewater collection systems; \$21.6 billion for new sewer construction; and \$44.7 billion for controlling Combined Sewer Overflow (CSOs).

While specific state data was not included for all areas, estimated geographical needs reported for the State of Tennessee for corrections to (CSOs) is \$500 million. Additional specific state data included information on small community facility needs, estimated at \$100 – \$200 million. Small community facilities are those communities with fewer than 10,000 people and a wastewater flow of not more than 1 million gallons per day.

FIGURE 3. DISTRIBUTION OF SMALL COMMUNITY FACILITY NEEDS  
(January 1996 Dollars in Billions)

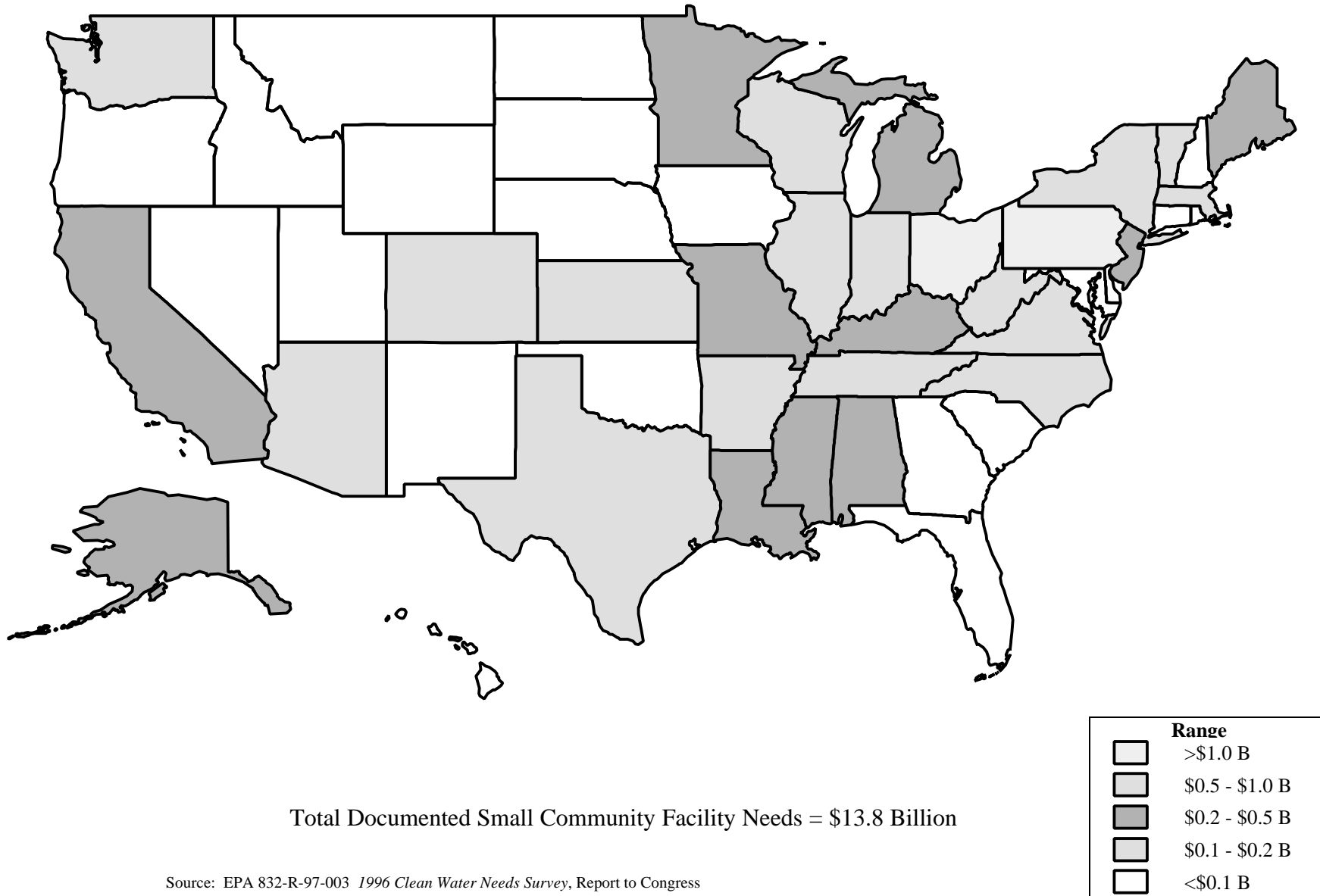
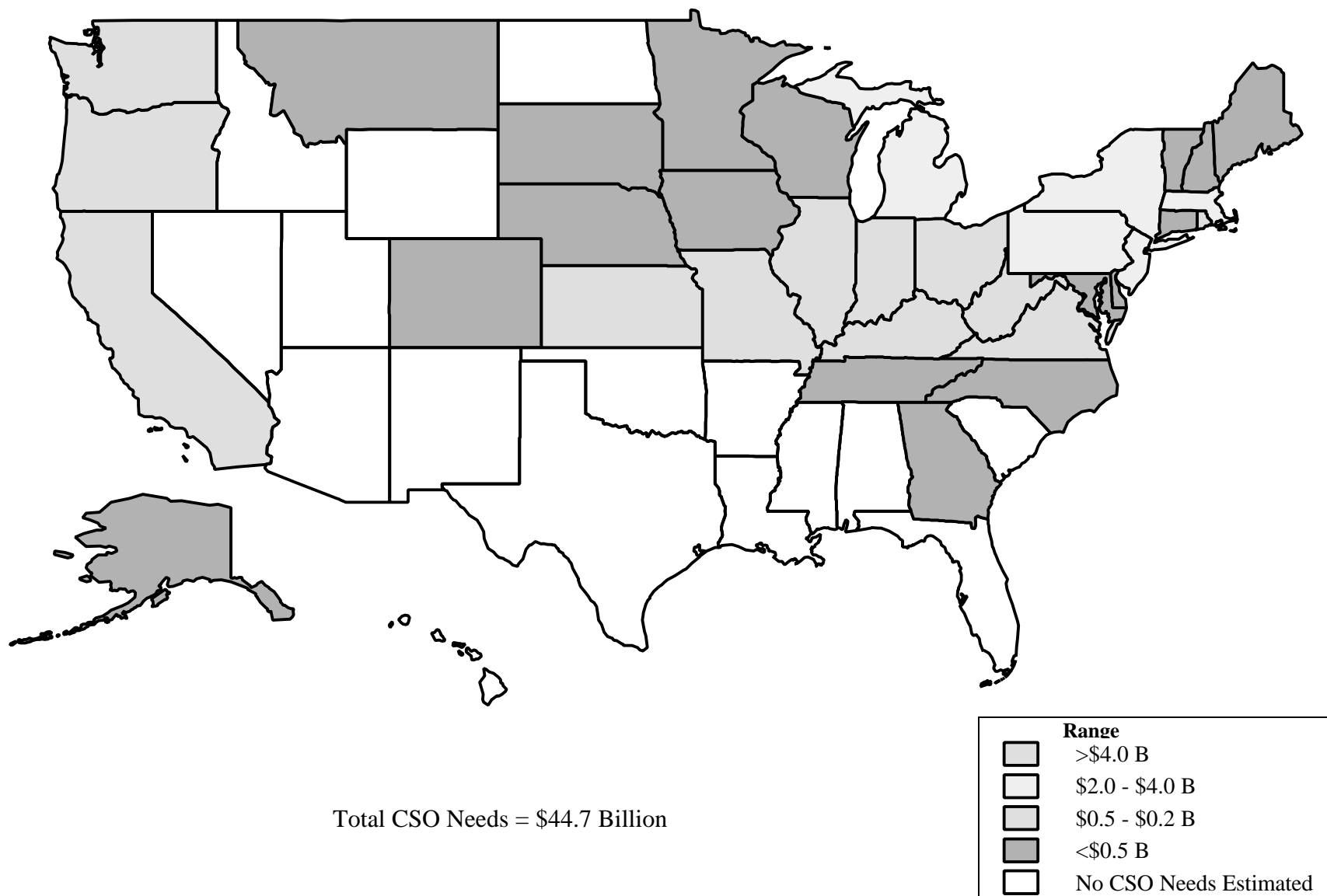


FIGURE 4. DISTRIBUTION OF NEEDS TO CORRECT COMBINED SEWER OVERFLOWS  
(January 1996 Dollars In Billions)



Source: EPA 832-R-97-003 1996 Clean Water Needs Survey, Report to Congress



Other non-housing needs include information on drinking water and infrastructure needs. This data was reflected in the 1997 Environmental Protection Agency (EPA), *Drinking Water Needs Survey First Report to Congress*. Specific data for the state of Tennessee include the following: Approximately \$879.8 million dollars needed to protect public health at water systems regulated by the state. Specific categories of need for water systems are:

<b>Category</b>	<b>Dollars in Millions</b>
Transmission and Distribution	525.3
Treatment	223.6
Storage	98.7
Source Rehabilitation and Development	32.1

Category definitions are as follows:

- ◆ Transmission and Distribution – Critical to protecting the public from contaminants that cause acute illness.
- ◆ Treatment – All surface water and a significant amount of ground water must be treated before it is considered safe to drink. Over half of all treatment needs are to reduce the threat from contaminants that cause acute health effects.
- ◆ Storage - ensures the positive water pressure necessary to prevent contaminants from entering the system.
- ◆ Source Rehabilitation and Development – is necessary to ensure that systems continue to provide an adequate quantity and quality of water.

This survey information does not address the needs of households not served by community water systems, many of whom do not have safe sources of running water. Even though many of those households might be close in proximity to community water systems, the national estimated cost for hook-up is six billion dollars. (*EPA 1997 Drinking Water Needs Survey*)

The projected 20-year need by category for the state of Tennessee is approximately \$1.8 billion.

Additional national data reflect that the largest share of total need through the year 2015 is for infrastructure improvements at large water systems. By contrast, Tennessee's largest share of need is for medium systems at \$1.1 billion; followed by small systems, at \$4.7 million, and large systems at \$2.3 million. Small water systems are defined as those serving up to 3,300 persons each, medium systems serve from 3,301- 50,000 persons each, and large systems serve more than 50,000 persons each.

The State Fire Marshal maintains information on the status of 564 fire departments across the state regarding their ISO ratings. ISO ratings are prepared by the Insurance Service Organization, Inc. which provides this service to insurance companies across the nation. ISO ratings are a measure of the adequacy of fire departments compared to the requirements of their service area. A rating of "1" is the highest that can be received and a rating of "10" is the lowest. A rating of 6 or better is normally considered adequate, although insurance providers and those in the fire protection business would like to have all fire departments rated as 1s.

Of the 564 fire departments in Tennessee for which the Fire Marshal has information on ISO ratings, 410 have ISO ratings of 7 or above, indicating that 73% percent of these departments are substandard and fail to provide adequate fire protection. Most of those are in small towns and rural areas. There are also other small departments across the state for which the Fire Marshal does not have information because they have not been rated by the ISO. It is expected, however, that these will be among the worst in the state.

In addition to indicating improved fire fighting capabilities, better ISO ratings decrease the insurance premiums which families must pay. For low-income families, many at or below the poverty level, this is tantamount to an increase in their family income.

*Housing and  
Community  
Development  
Strategic Plan*

## **Part III. Housing and Community Development Strategic Plan**

### **Design of the Strategic Plan and Priorities**

The strategic plan was designed around the premise that the state's plan must be reflective of the multiplicity of needs found throughout the state, allowing communities the flexibility (where possible) of applying for available funds based on community priorities. In an attempt to establish these priorities, the state conducted a number of surveys requesting that communities give their priorities for use of Consolidated Plan funds in the state. In addition, public meetings were held in local communities giving residents and organizations the opportunity to provide input on community needs. Based on the answers throughout the state, dollar amounts were designated within programs to be reflective of the larger percentage of requests for funds in the state. The state recognizes, however, that because available funds are limited, many persons or groups within the state will not be funded even though their project is worthwhile and benefits those persons in need in the state.

The following are priorities for funding. The state will utilize its funding dollars at a higher priority in these areas.

Priorities for all Consolidated Plan efforts are for individuals who are low-and very low-income, from 0-50% of the median income. Although the HOME and CDBG programs serve moderate-income individuals up to 80% of median, they are not listed as high priority in all areas. Additionally, priority levels are based on specific data discussed in the need assessment relative to housing cost burden, population of persons living below poverty, community needs surveys, and economic and housing market conditions. Please note that program specific priorities and how they address state priorities are listed in the action plan's method of distribution section. While the information below provides a summary of state priorities, it is important to note that not all program funds support each individual priority. The time line for completion of the action steps is a yearly cycle beginning with the fiscal year July1, 2000 through June 30,2001 and each subsequent year through June 30, 2005.

### **Housing**

#### **Increase the Amount of Affordable Housing and Preserve the Affordable Housing Stock.**

##### **Action Steps**

- Housing rehabilitation targeted toward low-, very low-, and moderate-income populations in the state in order to preserve the current affordable housing stock.
- Discourage destruction of viable affordable housing for low –income individuals
- Encourage the production of multifamily housing to serve low-income individuals in the state.
- Target funds toward elderly housing in the state with emphasis on handicapped accessibility.
- Encourage the preservation of 2-3 bedroom affordable housing for low-income families in the state.
- Increase/Maintain the number of housing facilities in the state for homeless individuals.

## **Non-Housing Community Development Needs**

### **Provide for the viability of communities through insuring infrastructure, community livability, health and safety, and economic development.**

#### **Action Steps**

- Provide water and sewer-related services to underserved areas of the state.
- Provide funds for fire protection.
- Provide economic development opportunities through infrastructure development, manufacturing facilities, and equipment
- Provide for the safety and well-being of low-income and moderate-income families in the state by improving the quality of the water supply and proper sanitation of waste
- Support job creation
- General enhancement of quality of life

### **Provide for the housing and supportive services needs of homeless individuals and other special needs populations.**

#### **Action Steps**

- Support the acquisition or rehabilitation of facilities to house homeless persons
- Provide funds to assist persons at risk for homelessness
- Encourage the development of resource directories to assist homeless persons
- Increase the amount of services provided to mentally ill homeless
- Encourage programs to support children in homeless facilities to receive preventive and emergency medical care as well as other developmental or cognitive services
- Provide supportive services and housing-related services for persons diagnosed with HIV/AIDS

### **Affirmatively further fair housing and assure access to business opportunities in the state for women and minority-owned business.**

#### **Action Steps**

- Convene fair housing and Title VI workshops in the state for local governments, grantees, housing providers, advocates, and citizens.
- Provide Public Service Announcements on radio stations throughout the state informing citizens of their housing rights.
- Conduct an Analysis of Impediments of fair housing in the state
- Encourage reporting of fair housing violations by making citizens aware of their rights and providing information on access to fair housing advocates and organizations in the state.

## **Anti-Poverty Strategy**

The anti-poverty strategy is designed to examine how both the CDBG and the HOME programs address the needs of individuals in the state with incomes below 30% of the median. While both the HOME program and the CDBG program serve persons up to 80% of the AMI, it is important to note that both programs recognize the special circumstances faced by extremely –low or very-low income individuals and families.

Census data (Table 1) on persons in the State of Tennessee reflect that 744,941, or 15.2% of Tennesseans live below poverty in the state. Of that group, the largest numbers of persons in poverty include elderly, female heads of household, and persons with disabilities. Additionally, the state has had a low level of unemployment in the last five years, a trend that is expected to continue for the five years covering the 2000 Consolidated Plan. Low unemployment in the state has helped many families gain jobs, but incomes are not high enough to remove them from poverty. This is especially true because many of these families face a shortage of resources such as affordable quality housing, adequate childcare, sanitary drinking water, adequate waste disposal, medical insurance along with a confluence of other factors.

### *Location of Poverty in Tennessee*

Before strategies can be developed to overcome poverty, it is necessary to understand where poverty occurs in the state. Poverty occurs throughout Tennessee. Every county, and probably every municipality, has families or individuals that are in poverty, according to the Census Bureau. There are, however, vast differences in the amount and percent of poverty that occurs. The purpose of this section, therefore, is to develop an understanding of the incidence of poverty in Tennessee.

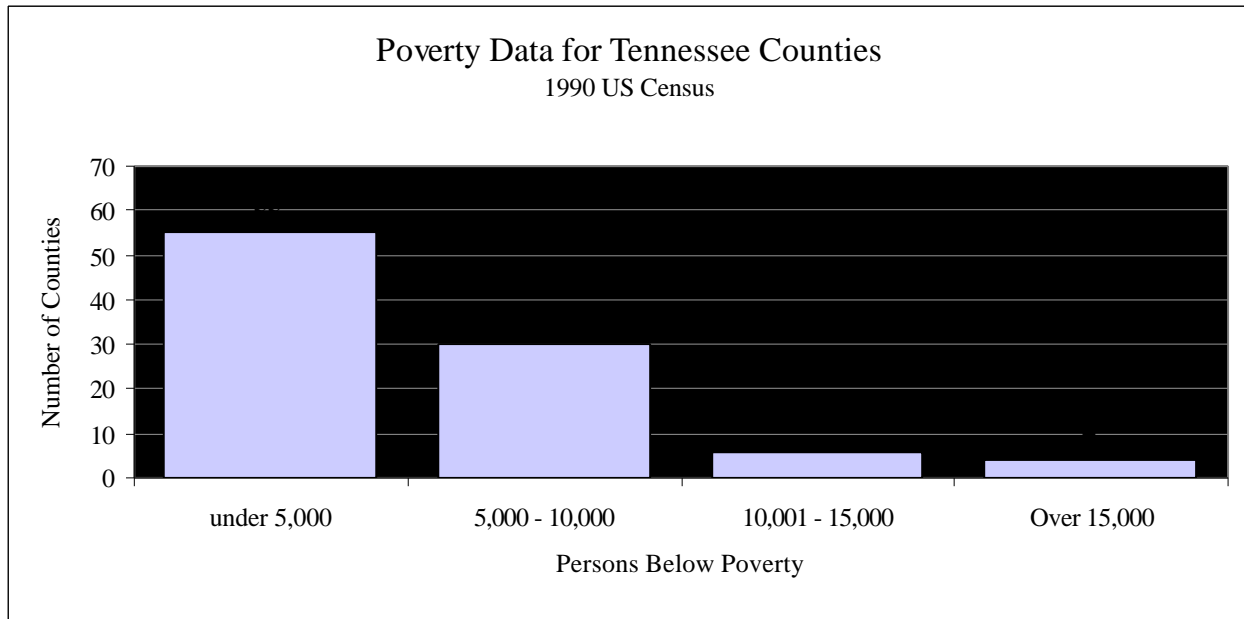
### *Numbers in Poverty*

According to the 1990 Census of Population, there are 744,941 persons in Tennessee below the poverty level. The majority of these are located in just a few areas. Approximately 50 percent of the persons in poverty in Tennessee reside in 10 counties. Of these, the 4 largest (Shelby, Davidson, Knox, and Hamilton) account for almost 40 percent.

These data are shown graphically in Figure 5. Only the four most populated counties have more than 15,000 persons in poverty. The largest county, Shelby, has 146,853 persons in poverty. At the other end of the continuum, 55 counties (almost 58 percent) have fewer than 5,000 persons in poverty.

While percent of persons in poverty reveals the intensity of the poverty problem, the actual numbers of persons in poverty is significant. It is obviously more cost-effective to address poverty conditions when those conditions are concentrated. When the poor are scattered over a large area they are no less in need, but their dispersion often makes it more difficult to recognize that poverty occurs, and makes it more costly to address. A poor individual in an affluent area is just as disadvantaged as a poor individual in a low-income area. However, because the problem overall may not be as acute, the seriousness of the individual's situation is often overlooked, and the support structure to assist the individual is often less developed.

**Figure 5. Poverty Data Tennessee Counties**



*Percent in Poverty*

Data on the percent of persons in poverty indicates where poverty conditions are more acute. Among the 95 counties in Tennessee, poverty rates range from a high of 40 percent in Hancock County to a low of 5.8 percent in Williamson County.

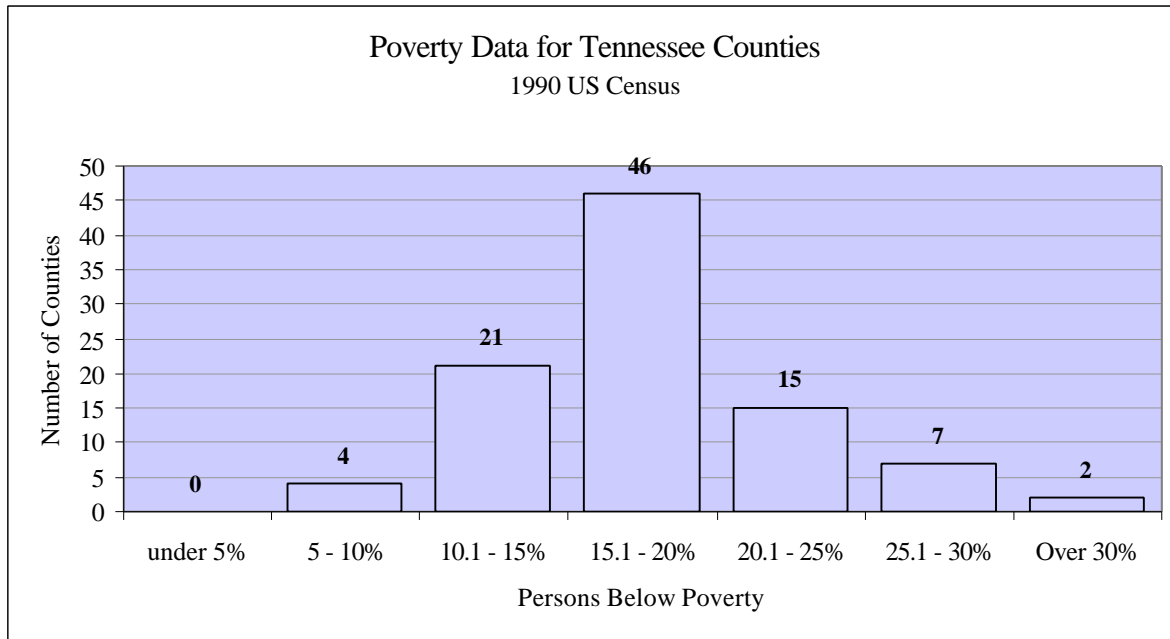
Figure 6 presents a graph showing the numbers of counties by percent of persons below the poverty level. The state average is 15.2 percent and 46 percent of the counties have poverty rates between 15 and 20 percent. The United States average is 13.1 percent and only 12 counties in the state have poverty rates lower than the nation

Figure 7 indicates where the counties are located in the state with the higher rates of poverty. Poverty rates are highest in a couple of areas in the state, in East Tennessee between Hancock County and Fentress County, and in Southwest Tennessee. In the central part of the state, from Kentucky to Alabama, poverty rates are generally lower.

Poverty data at the county level are misleading unless one also probes below the county data to determine exactly where persons in poverty live. There are 2,070 census tracts in Tennessee. These were rank ordered on the percent of poverty. Of these, 362 had poverty rates in excess of 25 percent. It is revealing that 137, or 38 percent, of the census tracts with 25 percent or greater poverty rates were in Shelby, Davidson, Knox, and Hamilton Counties. Almost all of these census tracts were located in the inner-city areas of the largest cities in these counties.

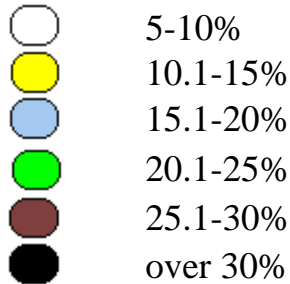
As these data indicate, poverty in Tennessee appears to be predominantly a rural and an inner-city phenomenon. This is not to say that poverty does not occur in other areas, but the extent and intensity of poverty appears to occur more so in the above areas.

**Figure 6. Poverty Data for Tennessee Counties**





### Figure 7



## Percent Below Poverty

## **Programs Addressing Poverty**

It is imperative that programs in the state pay special attention to the plight of these individuals in the use of funds designed to benefit disadvantaged populations in the state. The state addresses these areas in the following way:

**HOME Program:** Data from the HOME program over the past five years reflect that 41% of HOME program funds have been used to assist persons with incomes less than 30% of the median income. Priority is placed on this population through the HOME scoring mechanism that awards additional points to communities applying for funds to serve census tracts that have a higher percentage of persons in poverty. Additionally, the THDA Board of Directors has designated extremely low-income persons as a priority, requiring a yearly report on HOME beneficiaries to assure that at least 30% of funds are being used for persons below 30% AMI. In addition, as part of the rating system for ranking of qualified applicants, it is recommended that grantees use a formula that those households with the greatest need based on income and family size are served first. To date, grantees in the state continue to use this formula assuring that persons below 30% of the AMI are served first. As much as 70 additional points are awarded to individuals in this category when being considered for housing rehab related services.

**CDBG:** Over the past five years, CDBG has not separated its low-and moderate- income beneficiary data to show which of its participants are below 30% of the AMI. Rather, it has relied on data that reflects the percentage of persons in the area earning below 30% of the median as an estimate of persons served with incomes below 30% of median. In an effort to more adequately track this information and set goals for the percent of persons below poverty to be served in the 2000 Consolidated Plan cycle, CDBG will collect data on persons served at the below 30% AMI threshold. Also, as a part of its scoring mechanism for housing rehabilitation, project need points are awarded based on the number of persons with higher poverty levels in the state, specifically persons 62 years of age or above, and/or female heads of household, and/or handicapped individuals.

In addition to the HOME and CDBG program, the state's anti-poverty strategy is addressed through other initiatives in the state, such as Workforce Development/Investment which involves a consortium of agencies in the state working together to assist persons in poverty find employment. Family Self Sufficiency Programs, Welfare to Work, and the (TANF) Temporary Assistance for Needy Families, program which provides child care, help with transportation, as well as a number of other services to assist poor families in finding and maintaining employment.

**Lead Based Paint:** The State of Tennessee addresses hazards of lead-based paint in the state through the following programs/initiatives:

Childhood Lead Poisoning prevention requires TennCare, the state health system for uninsured persons, to test children enrolled in the program.

EPA and State Lead-Based Paint Program: Legislation passed in May, 1999 gave the necessary authority to the state's Department of Environment and Conservation to have lead-based paint training in the state. The legislation also gave them the authority to monitor lead abatement in the state to assure contractors and owners of units are in compliance.

Lead-based paint policies are also in effect for the CDBG and HOME programs in the state. Specifically, grantees must give participants notice of possible lead hazards within the unit when the house is pre-1978, informing them of possible lead dangers.

Grantees must inspect units for families with children under age seven that might have lead contamination, and provide the necessary abatement or encapsulation activity required. Families must be given a federally approved pamphlet on lead poisoning prevention.

At the time of submittal of this document, the state was in the process of establishing guidelines for training of lead abatement contractors and their workers in the state. Public hearings were held in the three grand divisions of the state. The final document is not yet completed, but is expected to mirror the federal guidelines established by the EPA.

### **Low-Income Housing Tax Credits**

The Low-Income Housing Tax Credit (LIHTC) program is administered by THDA. The tax credits are allocated through an application cycle that includes a selection process, determination of credit amounts, reservations, and carry-over allocation. Ten percent of the total state authority is reserved for qualified not-for-profit applicants. The goal of the allocation strategy is to utilize the tax credits allocated to Tennessee to the fullest extent possible to create, maintain, and preserve affordable rental housing for low-income households.

The specific strategy for coordinating the LIHTC program with the development of housing affordable to low-and moderate-income families consists of the following:

1. Develop rental units affordable to households with as low an income as possible and for the longest time period possible.
2. Encourage the construction or rehabilitation of rental units in the areas of Tennessee with the greatest need for affordable housing.
3. Encourage the development of housing or single room occupancy units for special needs populations including homeless, physically challenged, and elderly.
4. Discourage allocation of tax credits to developments for which tax credits are not necessary to create, improve or preserve rental housing for low-income persons.
5. Allocate only the amount of tax credits necessary to make a development financially feasible and to assure its viability as a qualified low-income development throughout the credit period.
6. Encourage not-for-profit entities to develop rental housing for low- and very low-income households.
7. Encourage energy-efficient construction and rehabilitation.

Additionally, during the application selection process preference is given to the following types of developments to help meet affordable housing goals:

1. Developments giving preference to local public housing authorities or administrators of Section 8 Certificate Voucher to Market and give first priority to Section 8 Certificate voucher holders or those on public housing waiting lists in a targeted county.
2. Housing designed for large families, elderly, physically disabled or single room occupancy
3. Extended use restrictions for low-income occupancy beyond 15 years.
4. Requires one of the following:
  - Election to set aside a minimum of twenty percent of the units for households with incomes no higher than 50% of area median income for or  
Election to set aside 40% of the units at 60% of the median for a total of 50 points.
  - Election to set aside 100% of the units at 60% of the median or  
Election to set aside 10% of units at 50% of the median for 25 points.

### **Public Housing and Resident Initiatives**

With the recent passage of the Quality Work Responsibility Act and the requirement of the Public Housing Authorities (PHA) to develop a five-year plan, the relationship between the state and the public housing authorities has become extremely critical. In some cases, we continue to search for a delicate balance between the priorities and regulations governing public housing and the affordable housing issues facing the state, especially lower income residents of the state. Therefore, in an effort to support public housing authorities and its residents, the state has established priorities for a number of initiatives impacting PHA residents.

The state is currently required to sign off on the Public Housing Authority five-year plan and attempts to support PHA's by streamlining the review process. The state also tries to assure that residents have been informed of the impact that such plans have on them. Of special concern are those instances when Public Housing Authorities request to tear down viable public housing units. The state recognizes that in some cases demolition of units is necessary in order to have safe and financially viable public housing. The state, however, does not provide a "rubber stamp" approach to such requests for demolition. In an effort to minimize loss of much needed affordable housing the state has specified guidelines in place for proposals to demolish or reduce public housing units. These guidelines give public housing authorities flexibility to demolish units in extreme circumstances, but also give the state the needed flexibility to request additional information. A determination can then be made by the state regarding whether the specific request is consistent with the Consolidated Plan. A copy of the guidelines for the consistency with the state's plan is located in Appendix 6. Other PHA initiatives supported by the state include the following:

The state supports the use of drug elimination grants and other initiatives that provide self-sufficiency help to residents, encourage literacy, and provide safe places for children of public housing. The state further supports initiatives that serve the elderly and those with disabilities in public housing. The state does not however, give priority to these populations over other poor

families but allows PHA's to assess their community needs when making a request to the state. Statements of need, will of course, require the necessary support documentation.

Goals for the state include convening meetings with Public Housing Authorities and other providers such as homeless, mental health and disabilities toward better coordination of services. The goal is to provide greater housing opportunities that address the high vacancy rates of many Public Housing Authorities while helping to meet the housing needs of special needs populations in the state.

# *Appendices*

## **AGENCIES/ORGANIZATIONS CONTRIBUTING TO THE CONSOLIDATED PLANNING PROCESS THROUGH PUBLIC MEETINGS AND OTHER FORUMS**

East Tennessee Development District	S/M CDC
Pigeon Forge	Volunteers of America
Douglas Cherokee	Knoxville- Knox County CAC
HUD	Catholic Charities
Pathway Shelter	REACH (Jacksboro, TN)
Pleasant Tree Apartment's Family Crisis Center	C.F. (Lenoir City, TN)
Homeless Coalition	Kelly's Adult Day Care Center
Chattanooga Human Services Dept	Chattanooga Housing Coalition
Lutheran Services in Tennessee	Southeast TN Development District
Fortwood Center Inc.	NAACP (South Pittsburg, TN)
City of Chattanooga Community Development	NAACP Marion County
Southeast Tennessee Area Agency on Aging	Chattanooga Cares
Senior Neighbors of Chattanooga	Homeless Health Care
Interfaith Hospitality Network	Chattanooga Room In The Inn
Mid Cumberland Community Action Agency	Centerstone Mental Health
Clarksville-Montgomery County CAA	Citizens for Affordable Housing
Highland Rim Economic Corporation	Shelbyville Housing Authority
South Central TN Development District	SCTDD Area Agency on Aging
South West Tennessee Development District	West Tennessee Legal Services
Madison County Government	SWHRA
The Star Center	Jonah Affordable Housing
Habitat for Humanity	United Way
Askew Hargraves Harcourt	Jackson Housing Authority
Human Beings Care	Vision For You
RIFA (Regional Inter-Faith Association)	L. S. Smith and Associates
Northwest Tennessee Development District	NAMI (Tennessee)
Upper Cumberland Development District	Genesis House Inc
Battered Women, Inc.	Rogersville Housing Authority
First Tennessee Development District	Eastern Eight CDC
Kingsport Housing and Redevelopment Authority	R.H. Boles Construction
Youth Emergency Shelter (Morristown)	Johnson City CD
First TN Area Agency on Aging	Appalachia Service Project
Barge Wagner Sumner and Cannon	Johnson Co. Safe Haven
Upper East Tennessee Human Dev. Agency	Dawn of Hope, Inc.
M.A.T.S. Inc	TAHRA
Barge Cauthen and Associates Inc.	Becker, Batson and Associates
Greater Nashville Regional Council	Memphis Area Association of Gov't

(Also included were numerous citizens from various areas of the state)

## HOME PROGRAM EVALUATION SURVEY - 1999

This survey asks for feedback from local officials, service providers and members of local communities who are interested in the success of HOME, a program that helps to preserve local housing stock and help to develop housing to meet local needs. It includes a few simple questions that may take less than five minutes to answer. Your input is vital in fine-tuning this program so that we can assist you better in your efforts to maintain and improve the local housing stock.

### Allocation of Funds

THDA distributes grants (minimum of \$100,000 and maximum of \$500,000) on a competitive basis to projects in urban and rural counties based on population. The total award to a county can not exceed 10 percent of the urban and rural allocation.

### Priority of Activities

The following three categories of activities are currently funded under this program. Based on your assessment of local housing need in your locality, please *rank them 1 to 3*, the most crucial to the least crucial.

ACTIVITIES	RANK (1-3)
Owner-occupied Units: Rehabilitation	
Tenant-occupied Units: Acquisition and/or Rehabilitation or New Construction	
Homeownership (Construction or Acquisition/Rehab financing repaid at sale)	

### County-Level Ceiling

In your opinion, the county-level ceiling should:

(a)	remain at	<u>10%</u>	<input type="checkbox"/> (check)
(b)	be increased to	<u>    %    </u>	
(c)	be reduced to	<u>    %    </u>	

### Minimum Grant Amount

In your opinion, the minimum grant amount should:

(a)	remain at	<u>\$100,000</u>	<input type="checkbox"/> (check)
(b)	be increased to	<u>\$      </u>	
(c)	be reduced to	<u>\$      </u>	

### Maximum Grant Amount

In your opinion, the maximum grant amount should:

(a)	remain at	<u>\$500,000</u>	<input type="checkbox"/> (check)
(b)	be increased to	<u>\$      </u>	
(c)	be reduced to	<u>\$      </u>	



## Application Evaluation Process

THDA evaluates HOME program applications objectively based on the following four basic criteria pertaining to the applicant and the local area(s) to be served. All four items receive equal weights, each contributing to 25% of the total score. If you think of a better way of weighting these four items, please provide the percents in the table below.

CRITERIA	CURRENT SCORING	YOU PROPOSE
1. Demonstrated capability for planning, readiness, and administration.	25%	
2. Need assessment based on local income and housing market data from 1990 Census.	25%	
3. Extent to which the areas were underserved in prior years	25%	
4. Leveraging of funds from other sources.	25%	
TOTAL	100%	100%

If you have other suggestions to improve this application scoring procedure, please specify them below.

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## Matching Fund

THDA's HOUSE program provides the 25% match of the HOME funds currently. If there is a substantial decline in the state funding for housing, the match may have to be found elsewhere.

Please list other potential funding sources available that may serve as local match.

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## Technical Assistance

It is the goal of THDA that all HOME applicants receive adequate information and technical support to develop and administer the programs.

If you think the need for information and technical assistance are unmet, please make specific suggestions that would remedy the problem.

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### Additional Comments

If you have any other suggestions that could possibly improve the development and delivery of HOME-funded programs, please take a minute to list them below.

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### Respondent Information

Name: \_\_\_\_\_ Phone: \_\_\_\_\_

City: \_\_\_\_\_ County: \_\_\_\_\_

If you are an elected official your position: \_\_\_\_\_

If you are not an elected official, please check below in what capacity you are responding.

- ☐ Citizen
- ☐ Employee of a local government
- ☐ Employee of a Development District
- ☐ Consultant
- ☐ Community Housing Development Organization (CHDO)
- ☐ Other non-profit organization
- ☐ Other (please specify) \_\_\_\_\_

Return survey by **June 11, 1999** to:

THDA\Research Division  
Attn: Betty Bracey  
404 James Robertson Parkway  
Suite 1114  
Nashville, TN 37243-0900  
FAX: (615) 741-9621

If you have any questions please call Tennessee Housing Development Agency, Research Division at (615) 741-7918 or Betty Bracey directly at (615) 741-9680.

## RESULTS OF HOME SURVEY, JULY 1999

THDA is developing the State Consolidated Plan for the five-year period beginning in the year 2000. In an effort to measure the responsiveness of the HOME program to local needs, THDA sent out 850 surveys to Mayors, Non-profit organizations, Development Districts, Consultants, etc., to receive feedback regarding current local unmet housing needs and priorities. THDA received completed surveys from approximately 21% of those surveyed, with almost equal representation from each grand division of the state.

The results from the survey show, overall, THDA is meeting the needs of the grantees, and respondents wanted us to continue as previously. A large percentage of respondents indicated that the current minimum and maximum grant amounts (\$100,000 and \$500,000, respectively) were at appropriate levels. Seventy-six percent of respondents wanted the minimum allocation to remain at the \$100,000 limit, while 18% wanted an increase to between \$150,000 and \$350,000. Eighty-five percent of respondents wanted the maximum amount to remain at the \$500,000 limit, while 13% wanted an increase to between \$550,000 to \$2,000,000.

The survey also asked about the appropriate per county limit on HOME funds, which currently stands at ten percent of total funds going to any one county. About 85% of respondents indicated that this was the appropriate level for this limit. However, a few respondents felt that the non-incorporated parts of the county were effectively penalized because the municipality within the county always received the grant funds, leaving them without any.

One of the most important questions we asked was for the respondent to rank order, from one to three, which type of activity was most needed in their jurisdiction. Owner-occupied rehabilitation was cited as the most pressing need by the most people (ranked number one by 54% of respondents.) This was true for both urban and rural areas. Acquisition and rehabilitation for later resale was ranked as the second most needed activity, while tenant-occupied rehabilitation was ranked third in importance. A significant number of respondents gave two activities the same ranking, thereby indicating equal need for two activities in their area.

Grant applications are evaluated using four basic criteria, evenly weighted at 25% each. Respondents recommended this method to continue, with some concerns about the use of outdated census data not reflecting growth in certain areas. Despite these concerns, 36 out of the 179 that responded to this question wanted to see this evaluation factor increased above the 25%.

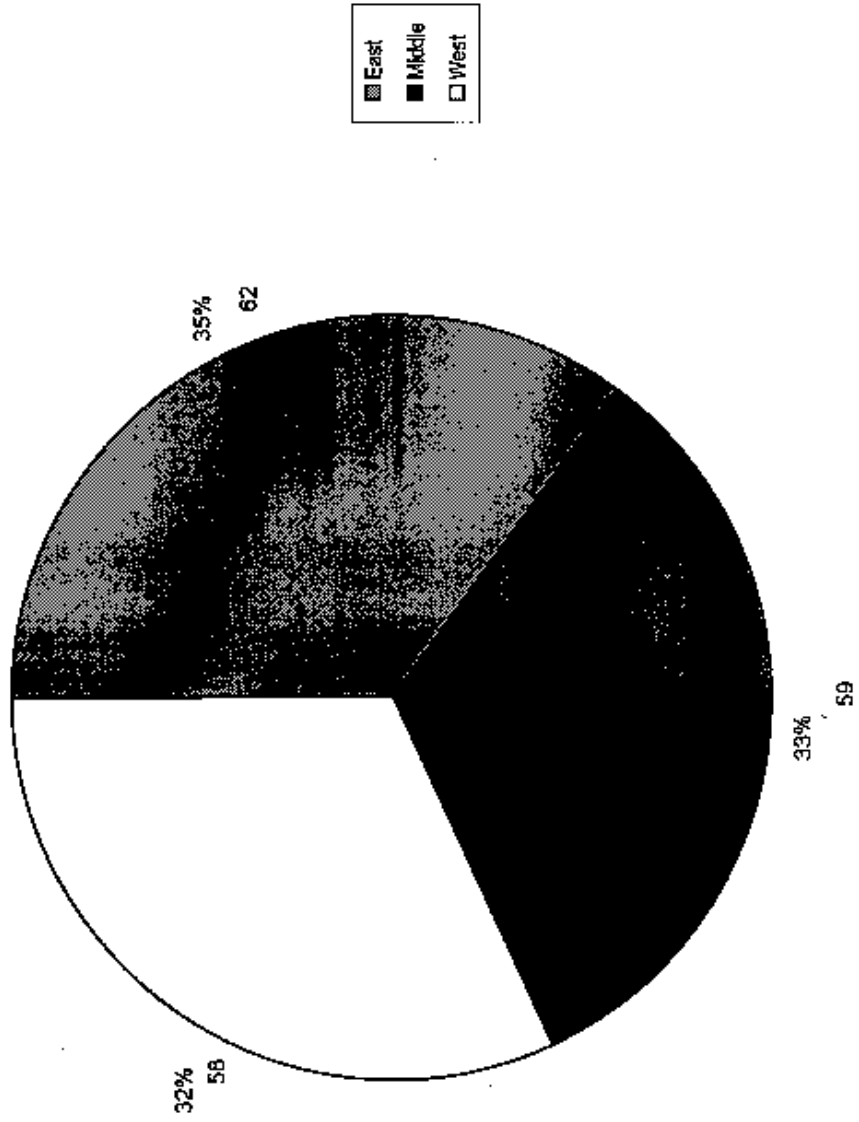
In light of the one-year termination of HOUSE funding, the survey asked whether respondents would be able to find other sources of match funding. Suggestions were few but varied, with local government and CDBG being named as principal sources. Out of sixty-one responses to this question, 20% suggested CDBG and 16% local government (city/county). Other suggestions included the homeowner, public housing, banks, energy assistance programs, local charities and foundations, etc.

We also asked respondents to comment on the availability and helpfulness of technical assistance in applying for and administering this program. The majority of the comments received were positive. One respondent's comment is to "encourage staff to continue as they operate, as this was the most responsive agency they had dealt within the last five years."

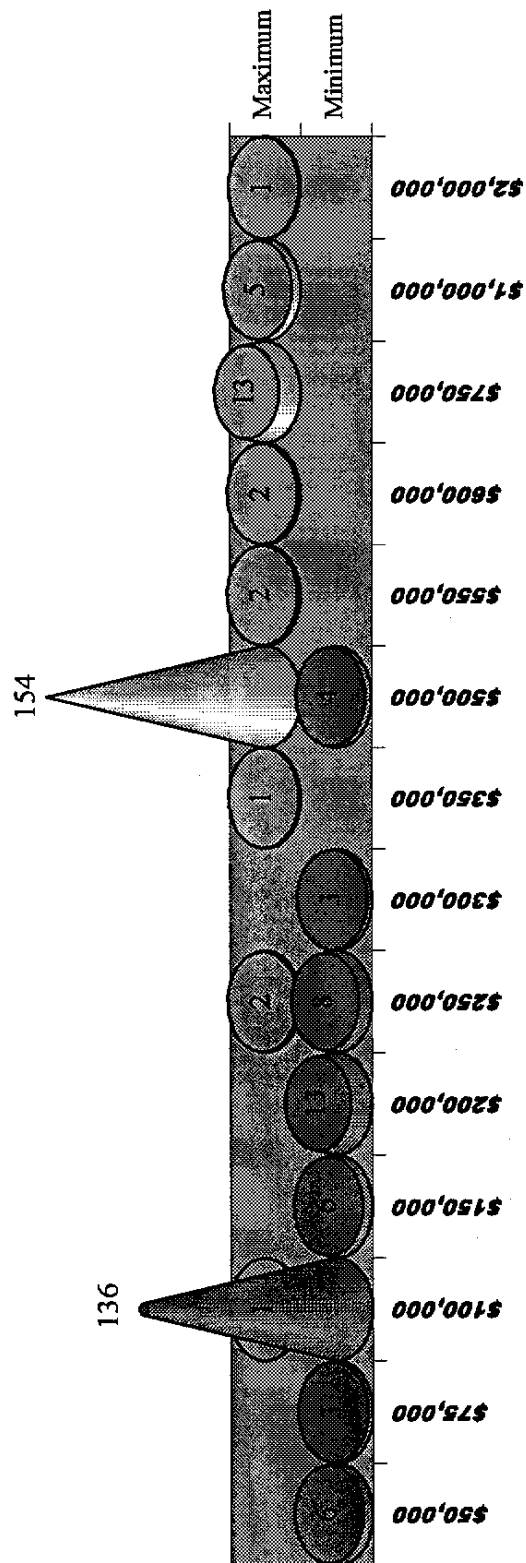
Finally, we asked for any other comments the respondents might have about the program. Some responses included a suggestion to put information out on the Internet, do more rehabilitation for homeowners, and to provide more outreach to the public about the program, and speed up the transfer of money from the state. We received two negative responses, one unhappy with the need to have a paid administrator of the grant and one wishing to scrap and reorganize the program entirely.

The overall response was to continue as we had in the past with strong emphasis on the use of new census data as soon as it becomes available.

Distribution of Respondents by Grand Division  
HOME Survey 1998

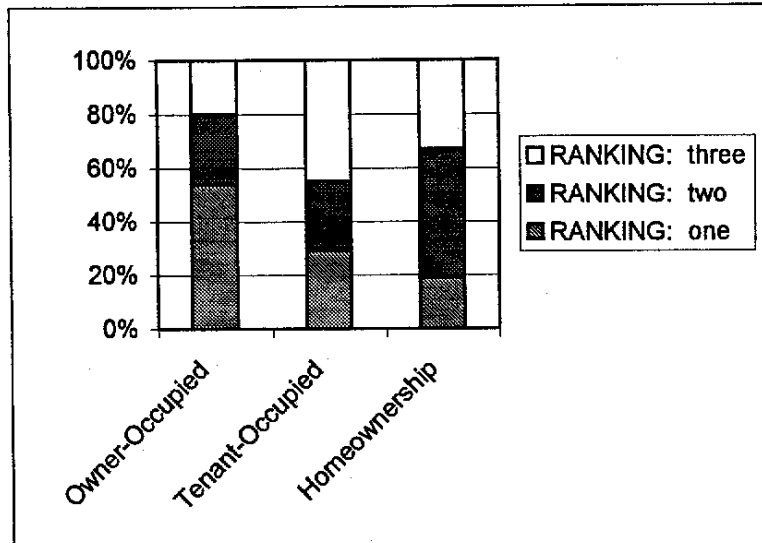


Recommendations for Grant Amounts  
HOME Survey 1999

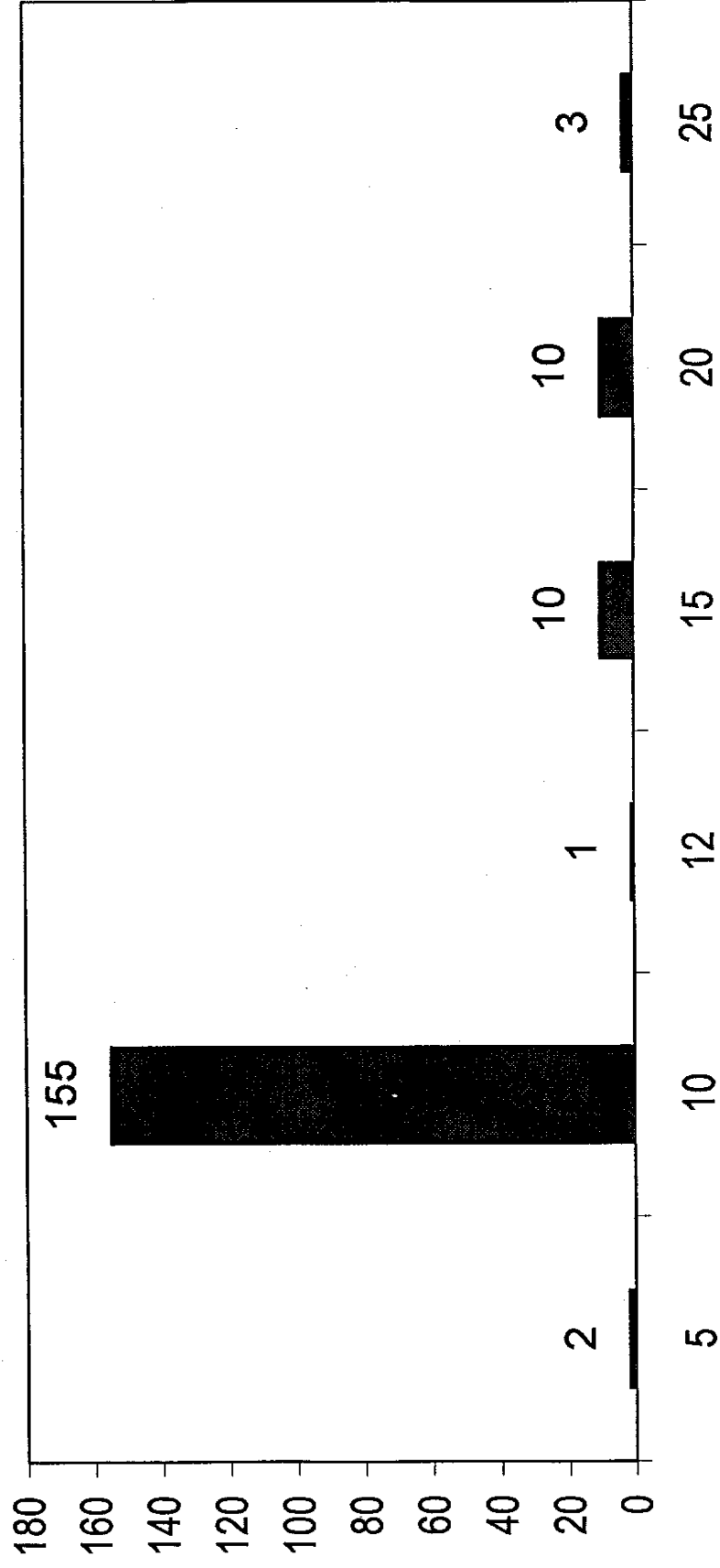


<input checked="" type="checkbox"/> Minimum	\$50,000	\$75,000	\$100,000	\$150,000	\$200,000	\$250,000	\$300,000	\$350,000	\$500,000	\$550,000	\$600,000	\$750,000	\$1,000,000	\$1,000,000	\$2,000,000
<input type="checkbox"/> Maximum	6	3	136	6	13	8	3	1	4	2	2	2	13	5	1

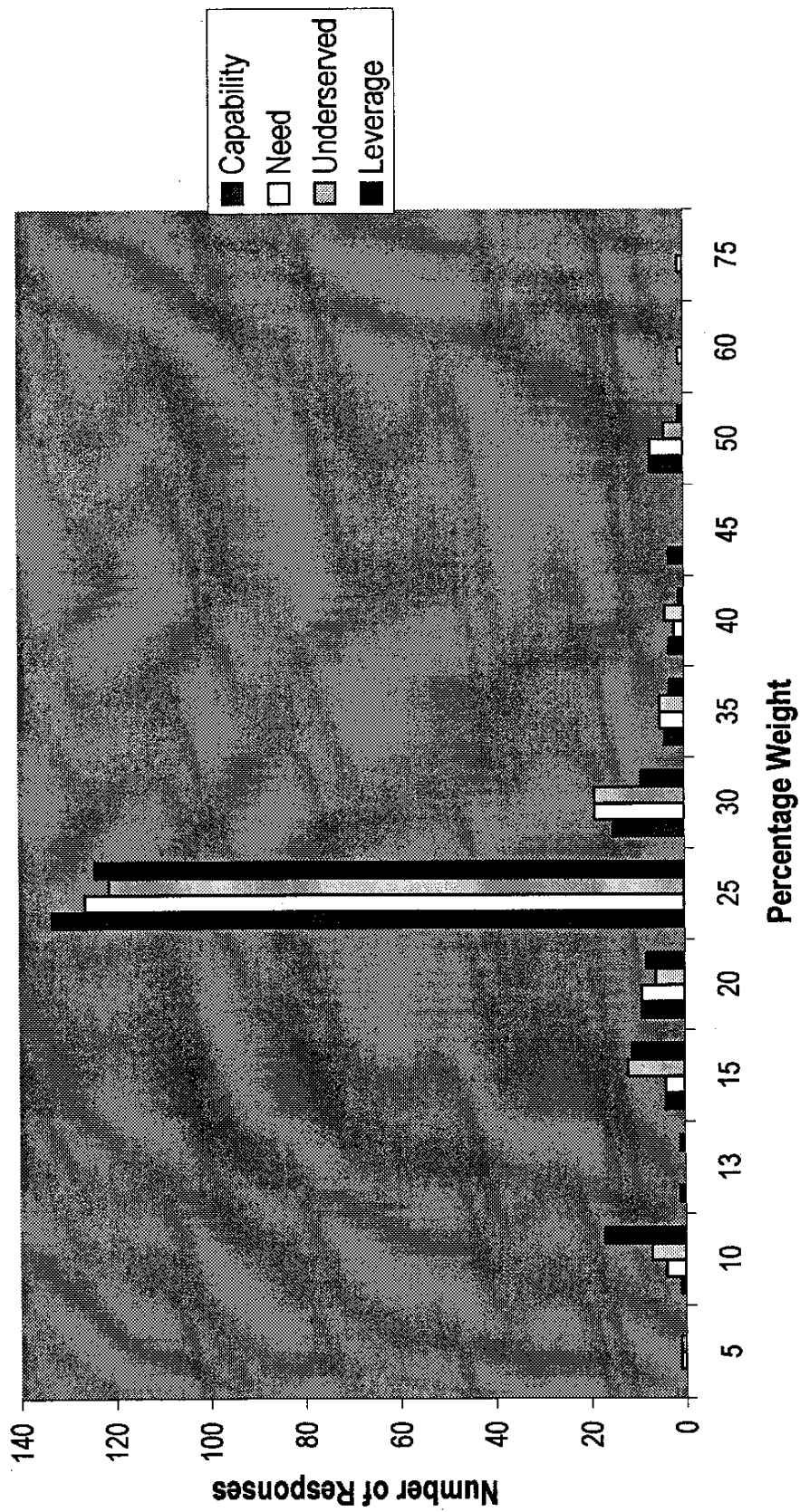
	RANKING:		
	one	two	three
Owner-Occupied	54%	26%	20%
Tenant-Occupied	29%	28%	45%
Homeownership	19%	48%	33%



# County-Level Ceiling Recommendations HOME Survey 1999



# Criteria for Grant Application Evaluation HOME Survey 1999





1999  
STATE OF TENNESSEE  
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM  
PROGRAM EVALUATION QUESTIONNAIRE

Introduction

The purpose of this questionnaire is to solicit detailed information from citizens, local elected officials, and others regarding the administration of the small cities CDBG program in Tennessee. Your input is very important to ensure that the CDBG program continues to meet local needs.

This questionnaire is in 5 parts, as follows:

Part A is an overview. If you have been previously briefed on the CDBG program you may skip this section.

Part B requests information about how you think CDBG funds should be used.

Part C asks your opinion about state rules and operating procedures.

Part D is more general, and asks for your overall evaluation of the CDBG program.

Part E requests information about you. This information will allow us to better analyze the information which is provided.

Instructions

1. Please read the entire questionnaire before completing any individual section.
2. If you would like to make additional comments you may attach supplemental pages as necessary.
3. Please return the completed questionnaire to the following address.

Ms. Mary Burnett  
Program Management Division  
Department of Economic and Community Development  
Rachel Jackson Building, 6th Floor  
320 Sixth Avenue, North  
Nashville, TN 37243-0405

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**Part A**  
**CDBG Program Overview**

This questionnaire pertains only to the "small cities" CDBG program which generally includes cities of less than 50,000 population and rural areas.

Every CDBG grant must demonstrate that it is in conformance with one of three "national objectives" which are:

- 1) Principally benefit persons of low and moderate income (LMI).
- 2) Prevent or eliminate slums and blight.
- 3) Address problems posing threats to community health and safety.

Most projects are justified on the LMI objective. To be eligible, 51 percent of the beneficiaries must be LMI persons.

Tennessee's allocation of CDBG funds varies from year to year. It is expected to remain in the \$30,000,000 range.

CDBG is a very flexible program. Just about anything can be funded as long as it meets one of the national objectives. Specifically ineligible are activities involving the general operation of government or political activities.

Grants may only be made to municipal and county governments. Utility districts, non-profit organizations, and similar users of CDBG funds must apply through a local unit of government.

For additional information prior to completing the questionnaire please call (615) 741-6201.

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**Part B**  
**CDBG Program Priorities**

In order to target CDBG funds on those projects which citizens and local officials feel are important, it is necessary to know the relative importance of the various projects which can be financed with CDBG grants. Therefore, please apportion 100 points among the following types of projects (those listed and those added) according to their importance to your community. The total of all the points should equal 100.

**Points**

\_\_\_\_\_ ***Economic development.*** Grants for publicly owned industrial infrastructure (water, sewer, etc.) and loans for privately owned industrial building and manufacturing equipment which will result in the creation of private sector jobs. Primarily manufacturing related.

\_\_\_\_\_ ***Water and sewer systems.*** Water treatment plants, wastewater treatment plants, water storage tanks, major trunk lines, water intake structures, and other improvements designed to improve the system as a whole as opposed to servicing individual residences. Note: system projects must demonstrate that 51 percent of the beneficiaries are LMI.

\_\_\_\_\_ ***Water and sewer line extensions.*** The extension of water and sewer lines in order to provide enhanced service to individual residences.

\_\_\_\_\_ ***Health clinics.*** Buildings and equipment which provide public health and social services.

\_\_\_\_\_ ***Community centers.*** Buildings and equipment to facilitate community meetings and the provision of certain public services.

\_\_\_\_\_ ***Fire protection.*** Buildings, vehicles, and equipment for fire fighting.

\_\_\_\_\_ ***Emergency equipment.*** Ambulances, first-responder units, and other equipment for the provision of emergency health services.

\_\_\_\_\_ ***Housing rehabilitation.*** Bringing deteriorated housing up to standards required for safe and habitable living.

\_\_\_\_\_ ***Micro-enterprise development.*** Technical assistance and loans for businesses of generally less than five employees requiring loans from \$500 to \$25,000. Businesses primarily focus on local product, retail, and service needs.

\_\_\_\_\_ ***Recreation.*** The provision of opportunities for public recreation.

\_\_\_\_\_ ***Drainage/flood control.*** Eliminating conditions which cause periodic flooding in residential and commercial areas.

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**Part C**  
**Procedural Issues**

The following represent state rules which affect how CDBG applications may be submitted. Please indicate whether you agree or disagree with these rules.

1. In order to ensure that the greatest number of cities and counties possible benefit from CDBG funds, previous non-economic development grants must be complete before subsequent applications may be submitted.  
Agree \_\_\_\_\_ Disagree \_\_\_\_\_ No Opinion \_\_\_\_\_  
Comments: \_\_\_\_\_  
\_\_\_\_\_
2. Eligible applicants may submit only one non-economic development application.  
Agree \_\_\_\_\_ Disagree \_\_\_\_\_ No Opinion \_\_\_\_\_  
Comments: \_\_\_\_\_  
\_\_\_\_\_
3. If only one application can be submitted, it should be the responsibility of the local government to select the application which will be submitted.  
Agree \_\_\_\_\_ Disagree \_\_\_\_\_ No Opinion \_\_\_\_\_  
Comments: \_\_\_\_\_  
\_\_\_\_\_
4. Funding limits should remain as they are now for non-economic development programs (\$500,000 maximum for water, sewer, and housing rehabilitation grants, \$300,000 for all other projects).  
Agree \_\_\_\_\_ Disagree \_\_\_\_\_ No Opinion \_\_\_\_\_  
Comments: \_\_\_\_\_  
\_\_\_\_\_

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**Part D**  
**Summary Evaluation of the CDBG program**

In Part D you may indicate your general satisfaction or dissatisfaction with the CDBG program as it is currently being administered.

1. In general, how satisfied are you with the CDBG program priorities as they are presently structured?

Satisfied \_\_\_\_\_ Dissatisfied \_\_\_\_\_ No Opinion \_\_\_\_\_

Comments: \_\_\_\_\_

2. In general, how satisfied are you with the CDBG procedures as they are presently structured?

Satisfied \_\_\_\_\_ Dissatisfied \_\_\_\_\_ No Opinion \_\_\_\_\_

Comments: \_\_\_\_\_

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**Part E**  
**Respondent Information**

In order that we may compile your responses in a useful format, please provide the following information:

1. Name: \_\_\_\_\_ Phone: \_\_\_\_\_  
Address: \_\_\_\_\_ City: \_\_\_\_\_  
County: \_\_\_\_\_

2. Are you an elected official? \_\_\_\_\_yes \_\_\_\_\_no

3. If yes, what is your elected position? \_\_\_\_\_

4. If your response is being submitted as other than an elected official, please state in what capacity you are responding.

\_\_\_\_\_ Citizen  
\_\_\_\_\_ Employee of a local government  
\_\_\_\_\_ Employee of a development district  
\_\_\_\_\_ Engineer or consultant  
\_\_\_\_\_ Chamber executive or economic developer  
\_\_\_\_\_ Non-profit organization  
\_\_\_\_\_ Utility district  
\_\_\_\_\_ Other (please specify \_\_\_\_\_)

~~~~~



State of Tennessee  
Department of Economic and Community Development

Office of Program Management  
Rachel Jackson Building, 6th Floor  
320 Sixth Avenue North  
Nashville, Tennessee 37243-0405  
615-741-6201 Voice/TDD / FAX: 615-741-5070

**MEMORANDUM**

To: Interested Parties

From: Mike McGuire *MM*  
Director of Grants and Loans

Date: September 15, 1999

Subject: CDBG Evaluation Questionnaire

**Introduction**

Several months ago we began a public participation process to obtain information and opinions from citizens, local elected officials, and others regarding the administration and priorities of the small cities Community Development Block Grant (CDBG) program. This participation involved the completion of a written questionnaire. While we are still accepting input, it is obvious that most people who are going to respond have already done so. Therefore, it is appropriate to summarize the results of the evaluation, and to make this information available.

**Methodology and Response Rate**

The questionnaire was publicized in three ways. Notices of the availability of the questionnaire were placed in regional newspapers. Notices (initial mailing and two follow-up mailings) were also sent to all mayors and county executives. Additionally, I met with the Board of Directors of each of the development districts to request the involvement of local elected officials.

The responses were both satisfying and disappointing. A total of 445 questionnaires were returned. We were encouraged that we received 254

responses from mayors or county executives (a 57 percent response rate). There were 178 responses from individuals with varying degrees of relationships to the CDBG program. Disappointingly, but not unexpected, responses were received from only 13 people who identified themselves as "citizens."

The responses from the mayors and county executives was most gratifying. It is our opinion that local officials are elected to represent the broad interests of their constituents, and they should have the most balanced and unbiased view of what is important in their community. And as the only legal applicants for CDBG assistance, the input from local governments is invaluable in assessing our performance in the administration of the CDBG program.

#### CDBG Program Priorities

Respondents were asked to apportion 100 percentage points among the type of projects traditionally submitted for funding and those type of projects which have been discussed for funding in previously held public meetings. Respondents were also given the opportunity to identify other types of projects not specifically identified. Listed below is the result of that input.

<u>Category</u>	<u>Percent Total</u>	<u>Percent Elected Officials</u>
Water and sewer systems	19.42	20.69
Water and sewer line extensions	17.70	18.21
Economic Development	15.62	16.43
Fire protection	9.90	10.61
Housing rehabilitation	7.57	6.50
Recreation	6.41	6.72
Drainage/flood control	5.75	4.79
Emergency equipment	5.28	5.27
Community centers	4.76	4.17
Health clinics	3.96	3.78
Micro-enterprise development	2.85	2.29
Other	.77	.55

These data reveal that while there are minor differences between local officials and the total responders in their sense of priorities for the use of CDBG funds, their responses are, in fact, remarkably similar.

**Procedural Issues**

The state has traditionally imposed certain restrictions on the use of CDBG funds in order to maximize the number of cities and counties which may benefit from the program. Respondents were asked to indicate the degree of their agreement with these restrictions. Listed below is the restriction and the degree of agreement or disagreement.

In order to ensure that the greatest number of cities and counties possible benefit from CDBG funds, previous non-economic development grants must be complete before subsequent applications may be submitted.

<u>Response</u>	<u>Percent Total</u>	<u>Percent Elected Officials</u>
Agree	67.42	68.11
Disagree	27.19	27.95

Eligible applicants may submit only one non-economic development application.

<u>Response</u>	<u>Percent Total</u>	<u>Percent Elected Officials</u>
Agree	60.22	64.17
Disagree	35.28	31.89

If only one application can be submitted, it should be the responsibility of the local government to select the application which will be submitted.

<u>Response</u>	<u>Percent Total</u>	<u>Percent Elected Officials</u>
Agree	88.09	93.70
Disagree	7.19	2.76

Funding limits should remain as they are now for non-economic development programs (\$500,000 maximum for water, sewer, and housing rehabilitation grants, \$300,000 for all other projects).

<u>Response</u>	<u>Percent Total</u>	<u>Percent Elected Officials</u>
Agree	71.91	79.53
Disagree	22.47	16.14



Summary Evaluation Of The CDBG Program

Respondents were asked two questions regarding their overall satisfaction with the CDBG program. The first related to the priorities of the program (i.e. the uses of CDBG funds). The second related to the department's administration of the program. The results of questions are as follows:

In general, how satisfied are you with the CDBG program priorities as they are presently structured?

<u>Response</u>	<u>Percent Total</u>	<u>Percent Elected Officials</u>
Satisfied	76.85	82.28
Dissatisfied	10.79	7.09

In general, how satisfied are you with the CDBG procedures as they are presently structured?

<u>Response</u>	<u>Percent Total</u>	<u>Percent Elected Officials</u>
Satisfied	73.71	80.71
Dissatisfied	14.83	11.02

Departmental Response

Overall, the department was pleased with the results from the questionnaire. Particularly gratifying was the high degree of general agreement with the priorities and procedures of the CDBG program. We have found nothing in the results which would suggest a reassessment of the program, and we will continue with the FY'2000 program with the same priorities and procedures as were in affect in FY'1999. This information will also be used as the new Five Year Consolidated Plan is being prepared for the HUD programs administered by the State of Tennessee.

We would like to thank those who responded to the questionnaire for their time. It is only through input from the beneficiaries of the program that we can continue to ensure that the program is meeting needs and priorities established at the local level.

If you have any questions about this analysis, please do not hesitate to contact me.

MEM:mmf

## State of Tennessee

**Request for  
Certification of Consistency with  
Consolidated Plan**

When submitting a request for Certification of Consistency with the Consolidated Plan, please provide the following:

- Fill in the information on the Certification of Consistency Form except the name, title, and signature of the Certifying Official of the Jurisdiction. (Once approved, the certification will be returned to your agency. If you wish to receive a faxed copy, please indicate below.)
- Provide an overall summary of the activities/project proposed. The summary **must not exceed two (2) pages in length** and should include information on the types of activities proposed, project location, funding sources, amount of funds requested and the benefit(s) provided to recipients. (Requests for certifications that do not have an overall summary will not be reviewed and will be returned to applicant. If information in the overall summary is insufficient, the Tennessee Housing Development Agency (THDA) will contact the applicant for additional information.
- **If project or activities include demolition of public housing units, applicants should submit detailed information including but not limited to the following:** Housing market analysis that demonstrates an existing supply of available affordable housing in the community serving the population to be displaced. Proof of resident public hearing with resident comments. Demographic data that substantiates demolition of the types of units (1 bedroom/multi bedroom units), information on the number of units to be demolished and the number of families being displaced. A plan indicating where residents will move once units are torn down. Plan for construction of replacement/new units if applicable. **If demolition is proposed, PHA's should submit plans for approval at least 1 month prior to submission of their plan to HUD. Additional information may be required.**

Please fill out the following information and submit it with the Certification of Consistency Form and the overall summary. **Please allow THDA a minimum of two weeks (minimum of one month for demolition) to review all requests and have certifications returned.** All Request for Certification of Consistency with the Consolidated Plan forms should be mailed to the Tennessee Housing Development Agency (THDA), 404 James Robertson Parkway, Suite 1114, Nashville, TN.37243 Attn: C. Croom or e-mail to [ccroom@mail.state.tn.us](mailto:ccroom@mail.state.tn.us) or faxed to 615-741-9621.

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Applicant Name:

Applicant Address:

Project Location:

Federal program funds requested:

Contact Person:

Phone Number:

Fax Number:

Date that certification was submitted to THDA:

Date that applicant needs certification returned:

**Check all that applies:**

- ☐ Overall summary of activities/project included.
- ☐ Documentation regarding demolition.
- ☐ Return original certification with original signature.
- ☐ Fax certification to the above-listed fax number.

Questions about to the Certification of Consistency for the Consolidated Plan form may be directed to the Research Department at (615) 741-4946.

**Certification by State or Local Official of PHA Plans Consistency with  
the Consolidated Plan**

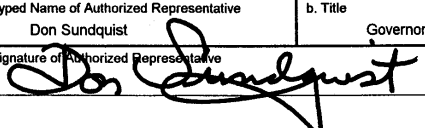
I, Cynthia Rhodes Croom the Chief of Planning certify  
that the Five Year and Annual PHA Plan of the Housing Authority is  
consistent with the Consolidated Plan of State of Tennessee prepared  
pursuant to 24 CFR Part 91.

This five-year plan is consistent with the state of Tennessee's Consolidated Plan because it  
contains no provision to demolish or reduce the bedroom size of units. In the event of  
demolition or unit reduction, a separate certification must be requested.

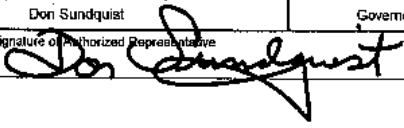
\_\_\_\_\_  
Signed / Dated by Appropriate State or Local Official

# *Action Plan*

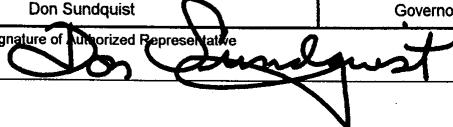
# **Application for Federal Assistance**

		2. Date Submitted 05/15/00	Applicant Identifier TN-HDA-00
1. Type of Submission:  Application: Not Applicable Preapplication:	3. Date Received by State 05/10/00		State Application Identifier
	4. Date Received by Federal Agency 05/15/00		Federal Identifier
5. Applicant Information			
Legal Name Tennessee Housing Development Agency		Organizational Unit	
Address 404 James Robertson Parkway, Suite 1114 Nashville, TN 37243  Davidson		Contact Jane Boles (615) 741-9653	
6. Employer Identification Number (EIN):		7. Type of Applicant:  State	
8. Type of Application: Type: New		9. Name of Federal Agency: U.S Dept. of Housing and Urban Development	
10. Catalog of Federal Domestic Assistance Number: Catalog Number: 14.23 Assistance Title: HOME Investment Partnership Program		11. Descriptive Title of Applicant's Project: HOME Investment Partnership Program	
12. Areas Affected by Project: State of Tennessee			
13. Proposed Project:		14. Congressional Districts of:	
Start Date 07/01/00	End Date 06/30/01	a. Applicant 5	b. Project
15. Estimated Funding:		16. Is Application Subject to Review by State Executive Order 12372 Process?	
a. Federal	\$14,484,000	Review Status: Program covered	
b. Applicant	\$0	Date:	
c. State	\$0		
d. Local	\$0	17. Is the Applicant Delinquent on Any Federal Debt?	
e. Other	\$89,707	No	
f. Program Income	\$0		
g. Total	\$ 14,573,707		
18. To the best of my knowledge and belief, all data in this application/preapplication are true and correct, the document has been duly authorized by the governing body of the applicant and the applicant will comply with the attached assurances if the assistance is awarded.			
a. Typed Name of Authorized Representative Don Sundquist	b. Title Governor, State of Tennessee	c. Telephone Number (615) 741-2001	
d. Signature of Authorized Representative 		e. Date Signed 4/20/00	

## Application for Federal Assistance

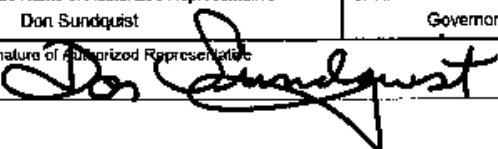
		2. Date Submitted 05/10/00	Applicant Identifier TN-DHS-00
1. Type of Submission: Application: Not Applicable Preapplication: Not Applicable		3. Date Received by State 05/15/00	State Application Identifier
		4. Date Received by Federal Agency 05/16/00	Federal Identifier
5. Applicant Information			
Legal Name Department of Human Services		Organizational Unit Citizens Plaza Building	
Address 400 Daadrick Street Nashville, TN 37248 Davidson		Contact Steven Meibresse (615) 313-4761	
6. Employer Identification Number (EIN):		7. Type of Applicant: State	
8. Type of Application: Type: New		9. Name of Federal Agency: U.S. Dept. of Housing and Urban Development	
10. Catalog of Federal Domestic Assistance Number: Catalog Number: 14.51 Assistance Title: Emergency Shelter Grant Program		11. Descriptive Title of Applicant's Project: Emergency Shelter Grant Program	
12. Areas Affected by Project: State of Tennessee			
13. Proposed Project:		14. Congressional Districts of:	
Start Date 07/01/00	End Date 06/30/01	a. Applicant 5	b. Project
15. Estimated Funding:		16. Is Application Subject to Review by State Executive Order 12372 Process?	
a. Federal	\$1,299,000	Review Status: Program covered	
b. Applicant	\$0	Date:	
c. State	\$0		
d. Local	\$0	17. Is the Applicant Delinquent on Any Federal Debt?	
e. Other	\$0	No	
f. Program Income	\$0		
g. Total	\$ 1,299,000		
18. To the best of my knowledge and belief, all data in this application/preapplication are true and correct, the document has been duly authorized by the governing body of the applicant and the applicant will comply with the attached assurances if the assistance is awarded.			
a. Typed Name of Authorized Representative Don Sundquist	b. Title Governor, State of Tennessee	c. Telephone Number (615) 741-2001	
d. Signature of Authorized Representative 		e. Date Signed 4/20/00	

# Application for Federal Assistance

		2. Date Submitted 05/15/00	Applicant Identifier TN-ECD-00
1. Type of Submission: Application: Not Applicable Preapplication: Not Applicable		3. Date Received by State 05/10/00	State Application Identifier
		4. Date Received by Federal Agency 05/15/00	Federal Identifier
5. Applicant Information			
Legal Name Dept. of Economic and Community Development		Organizational Unit Rachel Jackson Building, 6th floor	
Address 320 Sixth Avenue North Nashville, TN 37243  Davidson		Contact Mike McGuire (615) 741-6201	
6. Employer Identification Number (EIN):		7. Type of Applicant:  State	
8. Type of Application: Type: New		9. Name of Federal Agency: U.S. Dept. of Housing and Urban Development	
10. Catalog of Federal Domestic Assistance Number: Catalog Number: 14.228 Assistance Title: Community Development Block Grant Program		11. Descriptive Title of Applicant's Project: State Community Development Block Grant Small Cities Program	
12. Areas Affected by Project: State of Tennessee			
13. Proposed Project:		14. Congressional Districts of:	
Start Date 07/01/00	End Date 06/30/01	a. Applicant 5	b. Project
15. Estimated Funding:		16. Is Application Subject to Review by State Executive Order 12372 Process?	
a. Federal	\$30,157,000	Review Status: Program covered	
b. Applicant	\$0	Date:	
c. State	\$0		
d. Local	\$0	17. Is the Applicant Delinquent on Any Federal Debt?	
e. Other	\$0	No	
f. Program Income	\$3,000,000		
g. Total	\$ 33,157,000		
18. To the best of my knowledge and belief, all data in this application/preapplication are true and correct, the document has been duly authorized by the governing body of the applicant and the applicant will comply with the attached assurances if the assistance is awarded.			
a. Typed Name of Authorized Representative Don Sundquist	b. Title Governor, State of Tennessee	c. Telephone Number (615) 741-2001	
d. Signature of Authorized Representative 		e. Date Signed 4/20/00	



# Application for Federal Assistance

		2. Date Submitted 05/15/00	Applicant Identifier TN-OH-00
1. Type of Submission:  Application: Not Applicable Preapplication:		3. Date Received by State 05/10/00	State Application Identifier
		4. Date Received by Federal Agency 05/15/99	Federal Identifier
5. Applicant Information			
Legal Name Department of Health		Organizational Unit Cordell Hull Building	
Address 426 5th Avenue North Nashville, TN 37242  Davidson		Contact Brenda Borders (615) 532-8485	
6. Employer Identification Number (EIN):		7. Type of Applicant:  State	
8. Type of Application: Type: New		9. Name of Federal Agency: U.S. Dept. of Housing and Urban Development	
10. Catalog of Federal Domestic Assistance Number: Catalog Number: 14.24 Assistance Title: Housing Opportunities for Persons with AIDS		11. Descriptive Title of Applicant's Project: Housing Opportunities for Persons with AIDS	
12. Areas Affected by Project: State of Tennessee			
13. Proposed Project:		14. Congressional Districts of:	
Start Date 07/01/00	End Date 06/30/01	a. Applicant 5	b. Project
15. Estimated Funding:		16. Is Application Subject to Review by State Executive Order 12372 Process?	
a. Federal	\$556,000	Review Status: Program covered	
b. Applicant	\$0	Date:	
c. State	\$0		
d. Local	\$0	17. Is the Applicant Delinquent on Any Federal Debt?	
e. Other	\$0	No	
f. Program Income	\$0		
g. Total	\$ 556,000		
18. To the best of my knowledge and belief, all data in this application/preapplication are true and correct, the document has been duly authorized by the governing body of the applicant and the applicant will comply with the attached assurances if the assistance is awarded.			
a. Typed Name of Authorized Representative Don Sundquist	b. Title Governor, State of Tennessee	c. Telephone Number (615) 741-2001	
d. Signature of Authorized Representative 		e. Date Signed 4/20/00	

Method of Distribution

CDBG			
	Min Amt.	Max Amt.	
Competitive	31,453,860	31,453,860	
Formula	0	0	
Retained for State Project	0	0	
Non-Competitive	1,000,000	1,000,000	
State Admin of Program	703,140	703,140	

ESG			
	Min Amt.	Max Amt.	
Competitive	798,790	798,790	
Formula	335,260	335,260	
Retained for State Project	0	0	
Non-Competitive	100,000	100,000	
State Admin of Program	64,950	64,950	

HOME			
	Min Amt.	Max Amt.	
Competitive	13,820,539	13,820,539	
Formula	0	0	
Retained for State Project	0	0	
Non-Competitive	0	0	
State Admin of Program	753,168	753,168	

HOPWA			
	Min Amt.	Max Amt.	
Competitive	0	0	
Formula	539,320	539,320	
Retained for State Project	0	0	
Non-Competitive	0	0	
State Admin of Program	16,680	16,680	

## DESCRIPTION OF RESOURCES EXPECTED TO BE MADE AVAILABLE

### **I. HUD Resources Required Under Consolidating Planning**

#### **A. Community Development Block Grant (CDBG) Small Cities Program**

The State of Tennessee, through the Department of Economic and Community Development, administers the Small Cities program for those jurisdictions not designated as "Entitlements." In Tennessee there are thirteen cities and/or counties designated as "Entitlements" by HUD and receive direct CDBG funding. During Fiscal Year 2000, the State of Tennessee will receive \$30,157,000 in CDBG Small Cities funds from HUD and anticipates receiving approximately \$3,000,000 in program income for a total of \$33,157,000 that will be made available to local governments through a competitive grant application process.

#### **B. HOME Investments Partnership (HOME)**

The State of Tennessee, through the Community Programs Division of Tennessee Housing Development Agency (THDA), administers the HOME program primarily for those jurisdictions in the State not designated as "Participating Jurisdictions" by HUD to carry out multi-year affordable housing strategies. For Fiscal Year 1999, there will be eight local PJs, and THDA will administer the program for the remainder of the State. During Fiscal Year 2000, the State of Tennessee will receive \$14,484,000 in HOME funds from HUD and will reallocate approximately \$89,707 in recaptured HOME funds from prior years' grants for a total of \$14,573,707. These funds will be made available on a competitive basis to local governments, public agencies, and private, nonprofit organizations.

#### **C. Housing Opportunities for Persons with AIDS (HOPWA)**

The State of Tennessee, through the Department of Health, administers the HOPWA program providing funding to nonprofit service providers to assist HIV infected individuals and their family members threatened with homelessness. For Fiscal Year 2000, two metropolitan areas received direct HOPWA funding, and the State will provide funding to the remainder of Tennessee. During Fiscal Year 2000 the State of Tennessee will receive \$556,000 in HOPWA funds from HUD and may recapture and reallocate unused funds from prior grant years if such funds are made available. Both grant and any recaptured funds will be made available on a formula basis to service providers in six regions of the State covering all counties not covered by the two new HOPWA entitlements.

#### **D. Emergency Shelter Grants (ESG)**

The State of Tennessee, through the Department of Human Services, administers the ESG program providing funding to local governments and nonprofit service providers to assist homeless persons in Tennessee. During Fiscal Year 2000, the State will receive \$1,299,000 in ESG funds. The State will make these funds available to local government and nonprofit service providers on a competitive basis.

### **II. Other Federal Resources to be Made Available**

#### **A. HUD Section 8 Tenant-Based and Project-Based Rental Assistance Program**

The State of Tennessee, through the Housing Management Division of Tennessee Housing Development Agency, administers the Section 8 Tenant-Based Rental Assistance program. The State is authorized to operate in all 95 counties in Tennessee. In addition, THDA serves as the asset manager for 39 Project-Based Section 8 properties. During Fiscal Year 2000, it is anticipated that approximately \$28,000,000 will be made available in reallocations of Section 8 for both programs, and new allocations may be requested as Notices of Funding Availability are issued from HUD.

#### **B. Low Income Housing Tax Credit Program (LIHTC)**

The State, through Tennessee Housing Development Agency, administers the Low-Income Housing Tax Credit (LIHTC) program, which is authorized under Section 42 of the Internal Revenue Code, as amended. The program offers owners of and investors in low-income rental housing a reduction in federal income tax liability over a period of ten years. The Internal Revenue Service allocates tax credit authority to states on a calendar year basis. The State of Tennessee anticipates receiving \$6,788,276 in tax credit authority in calendar year 2000 to be issued to nonprofit and for-profit developers of low-income housing.

### **III. Other Non-Federal Resources Expected to be Made Available**

#### **A. THDA's Homeownership Programs**

The State of Tennessee, through the Homeownership Division of Tennessee Housing Development Agency, administers homeownership programs designed to provide opportunities for low- and moderate-income persons to purchase their first home. Funds are made available through the issuance of tax-exempt mortgage revenue bonds. Each program requires limitations on eligibility based on household income and acquisition costs.

THDA is not a direct lender to borrowers but works with approximately 130 approved mortgage lenders across the State to originate the loans. THDA either provides funds to approved mortgage lenders to close pre-approved THDA loans, or purchases pre-approved loans from the lenders after the loans are closed. During Fiscal Year 2000, it is anticipated that THDA will make available approximately \$167,800,000 in volume cap.

#### **B. Housing Opportunities Using State Encouragement (HOUSE)**

For the fiscal year 2000, the state legislature redirected the dedicated tax revenue for the State-funded HOUSE program to the state General Fund.

#### **C. THDA Funded Grant Program**

The THDA-funded Grant Program is being offered for one year only. The THDA grant program will consist of three components: (1) the local match program (2) the Great Place Program; and (3) the HOME Match Program.

The Great Place Program will fund only one type of activity, single family development. THDA is allocating \$2.5 million for the Great Place Program which will be rewarded through competitive applications. There will be a special set-aside of \$660,000 of Great Place funds for a program, "The House the General Assembly Built". Habitat for Humanity will build a house in every district of the House of Representatives over the next three years. Thirty-three units are to be built this year.

Under the local match program, THDA will allocate \$1.5 million to qualified counties and CDBG entitlement areas by formula. Each eligible local applicant will receive a commitment for these funds if the funds are matched and an acceptable application is submitted.

Special targeting of one million dollars will be used for a special needs program to be announced at a later date.

Under HOME Match, THDA will add \$1.5 million of its own funds to the urban and rural rounds of the HOME program to serve as a source for the HOME match.

## **METHOD OF DISTRIBUTION OF FUNDS**

This One-Year Action Plan includes the HUD table entitled "Method of Distribution Table for State Projects." The table is at the end of this section and shows the categories for distributing HUD funds received by the State to eligible recipients. The following narrative explains the distribution and application process in greater detail.

### **Method of Distribution of Funds and Program Description Community Development Block Grant (CDBG) Program**

#### **I. Introduction**

The State of Tennessee has been allocated \$30,157,000 in CDBG funds for Fiscal Year 2000. In addition, the State anticipates receipt of approximately \$3,000,000 in program income for a total operating budget of \$33,157,000. The purpose of this section is to describe the method of distribution of small cities Community Development Block Grant (CDBG) funds within Tennessee for meeting housing and community development policies and objectives during Fiscal Year 2000. This section will describe all criteria used to select applications for funding, including the relative importance of the criteria. This section will also describe how CDBG funds will be allocated among all funding categories, any threshold factors, and grant size limits.

#### **II. National Objectives**

The federal authorizing legislation for the CDBG program requires that the program activities be used to accomplish at least one of three national objectives, these being:

- A. Activities benefiting low and moderate income (LMI) persons;
- B. Activities which aid in the prevention or elimination of slums or blight;
- C. Activities designed to meet community development needs having a particular urgency. These have been defined as activities designed to alleviate existing conditions that pose a serious and immediate threat to the health or welfare of the community which are of recent origin or which recently became urgent, that the recipient is unable to finance the activity on its own, and that other sources of funding are not available. This condition is sometimes called an "imminent threat".

#### **III. Community Development Objectives**

The objectives of the Tennessee CDBG program are the following:

- A. Human Resources Development - to develop a human resource base that is healthy and capable of working at full capacity and which have the skills and education that enable them to do so.

- B. Physical Infrastructure Development - to create the base of infrastructure that will provide for a high quality of life for individuals and productive capacity for communities.
- C. Job Opportunity Development - to implement programs that will create a climate that is receptive to and encourages the growth of private sector jobs.
- D. Target on Economic Distress - to deliver community development programs in a manner that provides maximum assistance not only to economically disadvantaged individuals, but also to economically disadvantaged areas of the state.
- E. Maximize Grantees - to use the resources available to the state in a manner which will maximize the number of grantees and, therefore, beneficiaries of the programs.

#### **IV. Eligible Recipients of Funds**

Eligible applicants shall be city and county governments in Tennessee, except those cities of over 50,000 population and principal cities of Metropolitan Statistical Areas (MSA). Local governments excluded from the state-administered CDBG program include Memphis, Davidson County, Chattanooga, Knoxville, Knox County, Clarksville, Bristol, Johnson City, Oak Ridge, Murfreesboro, Kingsport, Jackson, and Shelby County.

#### **V. Eligible Activities**

Local governments may undertake a wide range of activities under the CDBG program. Eligible activities include:

- A. Acquisition of real property;
- B. Acquisition, construction, reconstruction, or installation of public works facilities (except for buildings for the general conduct of government), and site or other improvements;
- C. Code enforcement in deteriorated or deteriorating areas;
- D. Clearance, demolition, removal, and rehabilitation (including rehabilitation which promotes energy efficiency) of buildings and improvements;
- E. Disposition (through sale, lease, donation, or otherwise) of any real property acquired pursuant to Title I or its retention for public purposes;
- F. Special projects directed to the removal of material and architectural barriers which restrict the mobility and accessibility of elderly and handicapped persons;
- G. Payments to housing owners for losses of rental income incurred in holding for temporary periods housing units to be utilized for the relocation of individuals and families displaced by activities under Title I;

- H. Provisions of public services;
- I. Payment of the non-Federal share required in connection with a Federal grant-in-aid program undertaken as part of activities under Title I;
- J. Payment of the cost of completing a project funded under Title I of the Housing Act of 1949;
- K. Relocation payments and assistance for displaced individuals, families, businesses, organizations, and farm operations, when determined by the grantee to be appropriate;
- L. Activities necessary to develop a comprehensive community development plan;
- M. Payment of reasonable administrative costs and carrying charges related to the planning and execution of community development and housing activities;
- N. Activities which are carried out by public or private non-profit entities;
- O. Assistance to neighborhood-based non-profit organizations, local development corporations, or entities organized under Section 301(d) of the Small Business Investment Act of 1958;
- P. Activities necessary to the development of a comprehensive community-wide energy use strategy;
- Q. Provision of assistance to private, for-profit entities, when the assistance is necessary or appropriate to carry out an economic development project;
- R. Rehabilitation or development of housing assistance under Section 17 of the United States Housing Act of 1937;
- S. Provision of assistance to facilitate substantial reconstruction of housing owned and occupied by LMI persons (1) where the need for the reconstruction was not determinable until after rehabilitation had already commenced, or (2) where the reconstruction is part of a neighborhood rehabilitation effort and the grantee (a) determines the housing is not suitable for rehabilitation, and (b) demonstrates that the cost of substantial reconstruction is significantly less than the cost of new construction and less than the fair market value of the property after substantial reconstruction;
- T. Assistance for the development, establishment, and operation for not to exceed two years after its establishment of a uniform emergency telephone number system if: (1) such system will contribute substantially to the safety of the residents of the area served by such system, (2) not less than 51 percent of the use of the system will be by persons of low and moderate income, and (3) other Federal funds received by the grantee are not available for the development, establishment, and operation of such system due to the insufficiency of the amount of such funds, the restrictions of the use of such funds, or the prior commitment of such funds for other purposes by the grantee;



U. Homeownership assistance.

## **VI. Grant Categories**

For 2000, applicants may apply for funding under four different program categories: Economic Development, Community Livability, Water/Sewer, and Housing Rehabilitation.

Economic Development projects include activities where a majority of funds are used to promote the creation or retention of jobs and enhance income through industrial locations and expansions where the funds are used as loans, and also to provide needed infrastructure to industries where funds are used as grants.

Water/Sewer project funds will be targeted at improving and extending water and sewer line systems, expanding water and wastewater treatment plant capacities, and addressing conditions detrimental to health, safety, or public welfare.

Housing Rehabilitation funds are targeted in communities with areas of substandard or dilapidated housing and community facilities in LMI neighborhoods.

Community Livability projects are activities designed to provide other community development services, particularly to benefit persons of low and moderate income.

Set-Aside funds may be used for projects with high project need scores but where other scores are so low that the project did not rank high enough to be funded.

All funds awarded under the categories of Community Livability, Water/Sewer, and Housing Rehabilitation qualifying under the LMI objective must be spent in LMI target areas identified by the applicant unless the community is 100 percent eligible (51% or more LMI).

## VII. Funding Levels

Shown below are the CDBG allocation and funding categories for Federal fiscal year 2000.

Acquisition	250,000
Public Facilities	24,512,860
Clearance/Demolition	50,000
Relocation	541,000
Housing Rehabilitation	1,500,000
Economic Development For-Profits	3,000,000
Project Administration - Local Governments	1,600,000
General Administration - State Government	703,140
Set-Aside Funds	1,000,000
TOTAL	\$ 33,157,000

The Set-Aside is designed to permit funding for meritorious community livability, water/sewer/solid waste, or housing rehabilitation projects (those with high project need scores) but where other scores in the selection criteria are low and the total points earned are lower than required for funding. Set-Aside projects must meet all program requirements. Funds not utilized from the Set-Aside will be returned to other categories.

If approvable projects are not available in Economic Development in sufficient quantities to utilize the target allocation, the amounts not so utilized will be allocated to the other categories. A 50 percent reduction in any category will also be permitted to facilitate proper program management and allow administrative flexibility, and the funds so reduced shall be allocated to other categories.

For all years, program recoveries of both recaptured and reallocated funds shall be re-appropriated to any categories and distributed in accordance with the 2000 Final Statement.

If additional funds become available, they will be allocated using the same percentages outlined above, with the State reserving the right to apply this 50 percent flexibility to any of the categories.

Under certain circumstances, the State may increase funding on economic development projects previously funded in order to protect the State's investment in the project.

Where grants to local governments are loaned to private for-profit business, the State requires loan repayments. These repayments will be returned to the State and will be used for CDBG eligible activities. Up to 2 percent of this program income can be used by the State for administration. In the event that program income is generated in a non-economic development project, the income will remain at the local level to be used for the same activity.

### **XIII. Project Eligibility Criteria for Community Development Projects in the Annual Competition**

- A. Grant categories in the annual competition are the following:
1. Water/Sewer;
  2. Housing Rehabilitation;
  3. Community Livability.
- B. Applications are due in the Program Management Office on February 4, 2000. If hand-delivered to the office, they must be brought in on February 4, 2000, 4:30 p.m. (CST). A postmark of February 4, 2000 is not acceptable. They must be in our office on February 4, 2000. Applications should be complete as no additional required application material will be accepted after the deadline. However, additional information may be requested.
- C. All projects through '99 must have their final request for payment including supporting documentation, budget revisions and change orders to ECD by January 31, 2000. Appalachian Regional Commission (ARC) funds included in a CDBG project will also count in the drawdown. The economic development projects will not count against the draw down restrictions.
- All monitoring findings for previous projects must be cleared and closeout reports submitted before another contract is issued.
- D. Only one application may be submitted by each governmental unit.
- E. The level of CDBG assistance for individual projects shall be limited by the following factors:
1. There is a grant ceiling of \$500,000. Economic development projects may exceed \$500,000 but not be more than \$750,000 provided the county in which the activity is located had an average annual unemployment rate in excess of 12 percent for the last 10 years as certified by the Department of Employment Security, and less than 75 percent of the 1994 median county per capita market income;
  2. A maximum grant of \$300,000 for Community Livability projects;
  3. Maximum grants to any applicant of \$750,000 in two successive years. However, there is not a maximum industrial grant amount for two consecutive years.
  4. The grantee's ability-to-pay (see Section XII for a description of ability-to-pay).
  5. Higher grant levels (up to \$1,000,000) may be approved for regional projects.
- F. Funds are not available to cover cost overruns. Estimate project costs carefully.
- G. Local governments are required to hold two public meetings. These meetings must be advertised in the local newspaper at least one week prior to the date of the meeting. The advertisement must contain a statement of nondiscrimination and the name of a contact

person for special accommodation required for persons with disabilities. All meeting places must be accessible to persons with disabilities.

The first meeting is designed to solicit information about community needs and how CDBG funds can best address those needs. Communities are required to present information about how much money is available, what kinds of projects are being considered, and what activities are eligible.

The second meeting occurs after the project is completed and is to discuss the accomplishments of the project.

- H. The target area survey documenting the low- and moderate-income benefit must be random in order to have an eligible application under the LMI National Objective. Surveys conducted for 1998 and 1999 applications are acceptable for system wide projects. They must be compared to the new LMI threshold figures. Water line, sewer lines and housing projects can use the surveys conducted for 1999 applications if it is the exact application and no changes in the target area are proposed. The ECD form and randomness information distributed at the Application Workshop must be used. If another survey method is not specifically discussed in the survey procedure information presented in the application packet, please call Paula Lovett to discuss the survey method being proposed. Survey methods that are not described in the application information or are not pre-approved by Program Management may be considered unacceptable for the application process.

Census data is acceptable. It may be obtained from Program Management.

The LMI threshold figures dated January 27, 1999 must be used to determine LMI%. These figures were distributed at the public hearings and at the Application Workshop. Additional copies may be obtained from Program Management. The response rates shown in the application are to be used based upon your census figures. A 100% survey is required for line extension projects.

- I. For multi-target area line extension projects, each individual target area must meet the 51% LMI threshold.
- J. For line extension projects where a household indicates that they do not want the service, that household should not be calculated as a beneficiary. The house should be shown on the map and on the Map/Survey Form. Please code it as a household that does not want the service.
- K. The target area survey should be used to calculate target area per capita income for the community-need score. Instructions for calculating per capita income from the target area survey were explained at the Application Workshop and are included in the application.
- L. To submit a project under the national objective of Slums/Blight on an area basis, an activity must meet all of the following criteria:

1. The area must be designated by the grantee and must meet a definition of a slum, blighted, deteriorated or deteriorating area under State or local law;
2. There must be a substantial number of deteriorated or deteriorating buildings or public improvements throughout the area. As a "safe harbor," ECD will consider this criteria to have been met if either of the following conditions prevail in the area:
  - a. If State law does not specifically indicate the percentage of deteriorated or deteriorating buildings required to qualify the area, then at least one quarter of all the buildings in the area must be in a state of deterioration; or,
  - b. Public improvements throughout the area are in a general state of deterioration.

It is insufficient for only one type of public improvement, such as a sewer system, to be in a state of deterioration; rather, the public improvements taken as a whole must clearly exhibit signs of deterioration.
3. Documentation must be maintained by the grantee on the boundaries of the area and the condition that qualified the area at the time of its designation;
4. The activity must address one or more of the conditions that contributed to the deterioration of the area.

If submitting a project under Slums/Blight, this information needs to be to ECD by December 1, 1999 so that if Slums/Blight is not approved, there will still be time to complete a target area survey.

- M. To submit a project under the national objective of urgent need (or imminent threat), the following information must be provided:

1. Nature of problem/documentation;
2. How long problem has existed;
3. Explanation of why this problem is now so critical;
4. Any previous measures undertaken to correct problem;
5. Alternatives;
6. Projected date that problem must be corrected;
7. Why local and other funds are not available to correct the problem.

Imminent threat problems must be unique, unforeseen, and have developed to a critical stage in the last 18 months. Its continuation must represent a serious threat of loss of life.

The information will be reviewed and a determination will be made as to whether it meets the imminent threat national objective. A written determination will be provided.

Imminent threat projects will be received at any time. Threshold requirements will not count against the submittal of an application.

N. Line Extension Projects

1. A 100 percent survey is required including owners and current tenants of rental houses in the target area.
2. All low and moderate income households must be provided free water/ sewer service. This includes tap fees, service lines and connection charges.
3. If the property is rental and the homeowner is low and moderate- income then free service lines, taps and connections must be provided. The renter counts as the beneficiary.
4. If the property is rental and the property owner is high income and pays for the service, then the renter can be counted as the beneficiary.
5. People who only live in their house seasonally and receive service will count as a beneficiary. A survey or household verification form must be on file for them.
6. If the seasonal homeowner is a low and moderate-income person, they are still entitled to free service. This includes tap fees, service lines and connection charges.
7. If a household does not request the service, do not count as beneficiaries. If hook-up to the sewer system is mandatory, include a signed statement from the chief elected official plus a copy of the local ordinance and count all as beneficiaries.
8. Dry taps for purposes other than household use are not counted as beneficiaries. Dry taps for LMI are not paid for by CDBG funds.
9. The service must be run to the interior of the house, and must be utilized for domestic purposes. If service is not in the house, then they are not counted as beneficiaries.
10. If the service lines and connection charges are to be part of the construction bid then they must be included on the bid form.
11. If the service lines and connection charges for LMI are not going to be part of the construction bid, then approval from ECD must be obtained for the method of installation.

O. Water Line Extensions

1. All water quality sample collections for bacteria and minerals must be done by a qualified person. A qualified person is defined as anyone certified by the Tennessee Department of Environment and Conservation Board of Certification as a water operator, a local environmental specialist or a person employed by a water utility that has at least one year of experience in collecting water samples. A letter from the person collecting the water quality samples must include:

- a. Number of samples collected for bacteria and/or mineral testing;
  - b. Date collected;
  - c. Date delivered to lab;
  - d. Name of testing lab;
  - e. Signature and title of sample collector.
  - f. License Number
2. The samples must be sent to the lab within 24 hours of collection.
  3. All water quality testing must be done by a State approved lab. A list of approved labs is available from Program Management and was distributed at the Application Workshop.
  4. If the collection and testing for bacteria and minerals are not done by a qualified person and approved lab, the applicant will receive zero points in project need in the water category for bacteria and minerals.
  5. Requirement for the maximum number of mineral tests is 10% of the number of houses in the target area. The minimum sampling is 2% of the houses in the target area. The tests must be random within the target area.
  6. Requirements for the maximum number of bacteria tests is 35% of the number of houses in the target area. The minimum sampling is 10% of the houses in the target area. The tests must be random within the target area.
  7. If your project involves a supply problem, then questions 15 and 16 of the target area survey must be completed.
  8. The applicant will receive zero points in project need in the water category for bacteria and minerals if the test results are not submitted with the application on February 4, 2000.
  9. Sampling must be random or applicant will receive zero (0) project need points.
  10. Test results completed for 1999 applications are acceptable. Test results older than a year will not be acceptable.
  11. Bacteria sampling must occur at the house.
  12. Mineral sampling must occur at the source.
  13. You must choose one problem to document for the project.

P. For water distribution projects documenting inadequate pressure, project need will be evaluated in terms of the percentage of residential hookups with measured pressures below 20 PSI. All pressure readings must be taken by a qualified person (as defined in 16a) or an engineer. The readings must be made at residential meters and recorded in static readings. The tests must be random within the target area or system. A letter from the person conducting the pressure readings must include:

1. Address, date, and time of each pressure reading;
2. Statement that pressure readings were taken under normal system operating conditions;
3. Signature, title, and if certified, the certification status including license number of person conducting the pressure readings.

Q. The testing for septic tank failure rates for sewer line extension projects must be done by the Tennessee Department of Environment and Conservation. TDEC have requested that they be given at least two months in which to do the test. It must be a 100 percent

survey and form RDA 2403 (formerly PH-2241) must be used. Use the RDA 2403 form handed out at the application workshop. Gray water alone does not count as a failure.

R. Housing Rehabilitation

1. In order for an application to be considered under "Housing," all activities in the application should be directly related to housing.
2. CDBG funds will be limited to the renovation of owner occupied dwellings.
3. CDBG funds will be limited to grants.
4. CDBG funds used for rehabilitation will be dispersed only through competitive bids to private contractors, not through force account city work.
5. The CDBG program is not to be used primarily as a new construction program or a relocation program. New construction should be minimal.

S. Priority List

1. Any community wishing to apply for a CDBG grant for any type of sewer system improvement must be on the 1999-2000 priority list.

Requests for addition to the 1999-2000 priority list may be submitted to TDEC at any time. In order to meet the 2000 CDBG application deadline, these requests must be submitted no later than **January 4, 2000**. For more information about this process contact:

Ms. Jane Lacey  
Division of Construction Grants and Loans  
401 Church Street, 8th Floor  
Nashville, Tennessee 37243-1533  
(615) 532-0457

**IF YOU ARE NOT ON THIS 1999-2000 LIST, THE CDBG APPLICATION WILL RECEIVE -0- BASE PROJECT NEED POINTS.**

T. Appropriate Applicant

1. A county may apply for any project within the county.
2. City applicants must provide the services or have a majority of the beneficiaries.

The objective is that the applicant should bear some logical relationship to the service area. If the project deviates from 1 or 2, contact Program Management for a determination of eligibility.

## **IX. Project Eligibility Criteria for Economic Development Projects**

- A. The only purpose of the CDBG economic development program is to generate employment opportunities for LMI persons. Each application must contain a



commitment by a private business that it will locate or expand as a result of the CDBG assistance, and that at least 51 percent of the jobs to be created or retained will be taken by LMI persons.

- B. Only basic-type economic activities will be supported. These are businesses which export more than half of their products or services outside of Tennessee, generating income that supports the growth of the non-basic sector (retail, local services, etc.). Manufacturing is the classic basic economic activity, but businesses other than manufacturing will be considered if they can meet the test for a basic economic activity.
- C. Applications are reviewed on a first-come, first-serve basis and need not be submitted on any particular date. Applications submitted must be complete. Incomplete applications will be returned to the applicant community with a copy of the transmittal letter to the company and the application preparer. Once the complete application is received, it will be reviewed as a new application and will not assume its former position in the order of review.
- D. Local governments are required to hold two public meetings. The first meeting, which must be advertised in a local public paper at least one week prior to the date of the meeting, is designed to solicit information about the community needs and how CDBG funds can best be used to address these needs. Communities are required to present information about how much money is available, what type of projects are being considered, and what activities are eligible.

After the grant is awarded, a second public (and publicly announced) meeting must be held to discuss the impact/accomplishments of the project.

- E. The maximum loan or grant any community/company can receive is \$500,000, except for depressed counties, which can receive up to \$750,000. The amount of financing is negotiated with the company and is usually less than the maximum amounts available depending on the location of the project. The maximum term of a loan for equipment is seven years for any project. Special economic development incentives are being provided for counties that are economically depressed. These are increasing the loan amount limits, extending the term of industrial buildings, and reducing the interest rates in economically depressed counties. Counties eligible for these loan provisions are those that have had average annual unemployment rates in excess of 12 percent for the last 10 years, or per capita market income of less than 75% of median county per capita market income. Economically depressed counties are designated each July 1 based on the most current data available at that time.
- F. All federal requirements that apply to the community development projects in the annual competition apply to the economic development program.
- G. Interest rates have been established which fluctuate as the prime rate fluctuates. The prime rate will be established quarterly on the first day of the following months: January, April, July and October as quoted in the Wall Street Journal. The base prime rate will be for the quarter in which the loan is awarded. Once the base prime rate is established, it will be in effect for the life of the loan. The only adjustments to the loan's interest rate will be the adjustment made every five years, but this will not change

the base rate set at the time the loan was awarded, only the points below the set prime rate.

PROVISION	DEPRESSED COUNTIES	OTHER COUNTIES
Maximum Loan/Grant	\$750,000	\$500,000
Maximum Term on Building	20 Years	15 Years
Maximum Term on Equipment	7 Years	7 Years
Minimum Interest Rate:		
Years 1-5	5 PBP	3 PBP
Years 6-10	4 PBP	2 PBP
Years 11-20	3 PBP	1 PBP
PBP means percentage points below prime.		

NOTE: In no case shall the effective rate of interest charged on CDBG loans be less than 1 percent.

- H. Applicants for start-up funding must have 20 percent equity and at least 30 percent of project financing must come from private sources. Any start-up applicant must have not only adequate working capital based on reasonable project success, but the potential for a second line of working capital should business conditions require it. Applications for start-up businesses will take approximately one month longer than other applications to review and make recommendations.
- I. A pre-application meeting is required for all economic development projects. This is to provide advice and give companies and communities the opportunity to ask questions.
- J. Companies applying for CDBG loan assistance must demonstrate their ability to ensure loan repayment. The state will determine the adequacy of public benefit by comparing the amount of loan funds requested, the number of jobs being generated, and the economic conditions in the country in which the loan will be made.

#### **X. Project Selection Criteria for Community Development Projects in the Annual Competition**

- A. The allocation of funds for community development projects in the annual competition will be on a competitive basis because the demand for funds far exceeds the amounts available. ECD will utilize an annual grant cycle for Community Livability, Water/Sewer and Housing Rehabilitation grants. Units of local government will submit applications to ECD, using the CDBG application package made available to them, February 4, 2000.

Selection Criteria for projects in the annual competition shall be objective and quantitative, and shall be based on project need, project feasibility, project impact, community need and project essentialness (for Community Livability only).

Points for projects in the annual competition in various categories will be rated by staff evaluation with maximum points as shown below:

	Community Need	Project Need	Project Feasibility	Project Impact	Project Essentialness
Water, Sewer, Solid Waste	100	100	Threshold	100	0
Community Livability	100	50	50	50	100
Housing Rehabilitation	100	50	50	50	0

The points for each criteria (community need, project need, etc.) will be totaled and the individual projects will be ranked from highest to lowest based on the total number of points earned. Projects in one category will not compete against projects in another category (water/sewer projects will not compete in the housing category). Projects will be approved in each category based on the total number of points earned, subject to the amount of money allocated to that category.

The selection criteria for Set-Aside projects will not be quantitative. The Set-Aside category was established to allow the state the flexibility to address situations where the selection criteria failed to operate as envisioned, and meritorious projects did not score enough total points to be approved. Therefore, the approval of Set-Aside projects must necessarily be subjective. Nevertheless, there are certain factors that will be considered when approving projects under the Set-Aside category.

In addition, applications which were designated as three Star Communities will receive one additional point in the competition.

Principal among these is the following:

- The project need points earned;
- The ability of the applicant to finance the project locally;
- The potential loss of other funding that has been committed;
- The number and percentage of LMI residents.

Project application materials will be supplemented, as appropriate, by site visits and by informed opinions of state agencies knowledgeable about particular projects.

- B. Imminent threat projects (those meeting the national objective of imminent threat) will be automatically approved if all selection criteria and thresholds are met. Applications are accepted any time.

### C. Community Need Points

Community need is a measure of economic distress based on unemployment and income, and is calculated as follows:

- Latest annual county unemployment rate
- Target area per capita income
- 1989-98 average county unemployment rate
- 1989 per capita income

### D. Project Need Points

Project need points measure the degree to which there is a need for the project (no existing facilities or existing facilities are inadequate). Because of the different types of projects, project need points must be structured differently for different types of projects. Listed below are the methods of calculating project need points for water, wastewater, and community livability projects.

#### 1. Water Line Extensions

Project need for water line extensions relates to deficiencies with private sources (wells, springs, etc.) and is based upon a) water quantity problems which are measured by days of water shortage or b) water quality problems as measured by bacteria content or c) water quality problems as measured by mineral content. Water testing is required to document bacteria and mineral problems.

#### 2. Water Treatment Plants

Project need for water treatment plants is based on the ability of the existing plant to provide the quantity and quality of water required to meet customer needs and standards of TDEC. Quantity problems are evaluated based on the percent of the existing capacity being utilized. Quality problems are evaluated by engineers in TDEC.

#### 3. Water Distribution Facilities

Water distribution problems relate to deficiencies in existing distribution facilities and are based upon a) lack of water storage, b) pressure problems, c) water loss. The adequacy of storage is measured against TDEC's requirement for storage capacity equal to 24 hours average usage. Pressure problems are documented by pressure tests. Water loss is calculated based on the difference between water produced and water sold.

#### 4. Water Source Development

Water source problems are documented by the ability of the current source to meet projected demands for quantity or quality of water.

5. Sewer System Projects

Sewer system projects are those eligible for Federal funding from the Environmental Protection Agency (EPA). The CDBG evaluation system is based upon the points assigned by the TDEC for the EPA priority list plus 100 points for new treatment plants, SAWS and innovative alternatives, 75 points for sewer plant rehabilitation, upgrade, and/or additional plant, 50 points for line rehabilitation, and 25 points for interceptors.

6. Sewer Line Extensions

Project need for sewer line extensions is based upon septic tank failure rates. Testing of all septic tanks in the target area is required. Gray water problems alone do not count as septic tank failures.

7. Community Livability

Project need points for community livability projects are subjective because of the wide variety of projects that may be submitted under the community livability category. Project need points reflect the degree to which there is a need for the project. The adequacy of documentation to substantiate the nature and magnitude of the problem is very important.

8. Housing Rehabilitation

Project need points for housing applications will be based on two factors as follows:

- a. Percent of substandard houses to be rehabilitated with CDBG funds in the target area;
- b. Percentage of residents who are 62 years of age or above, and/or female head of household, and/or handicapped.

E. Project Feasibility

1. Water/Sewer

Project feasibility for water and sewer projects is a threshold. All projects will be reviewed for technical feasibility by the Department of Environment and Conservation engineers. If they do not meet this threshold, they will not be allowed to compete for funding.

2. Community Livability

Project feasibility points for community livability projects will be based upon the following considerations:

- a. Quality of design compared to accepted standards;
- b. Cost effectiveness, designed to create greatest benefit for least cost;
- c. Alternatives examined;
- d. Adequacy of operating budget;
- e. Quality of documentation that the project will solve the problem.

### 3. Housing Rehabilitation

Project feasibility points for housing applications will be based on the following considerations:

- a. A total of 25 points based on an assessment of whether the work proposed in the application can be accomplished with the funds available (including CDBG and other funds);
- b. A total of 25 points based on the relative magnitude of the problems identified in each application based on observations made on site visits.

## F. Project Impact

### 1. Water/Sewer

Project impact points for water and sewer projects will be calculated as follows:

a.	CDBG cost per person;	25 Points
b.	CDBG cost per LMI person;	25 Points
c.	LMI percent;	30 Points
d.	Rate factor;	20 Points
	<u>Monthly bill 5000 gals.</u>	
	TAS PCI	
		<hr/> 100 Points

### 2. Community Livability

Again, because of the variety of community livability projects that may be submitted, the calculation of project impact points must be able to be used for a variety of projects. Therefore, project impact points will be assigned as follows:

a.	CDBG cost per LMI person;	25 Points
b.	CDBG cost per LMI person;	25 Points
		<hr/> 50 Points

### 3. Housing Rehabilitation

Project impact points for housing applications will be based on the following considerations:

a.	LMI Percentage;	25 Points
b.	Cost per LMI person;	<u>25 Points</u>
		50 Points

G. Project Essentialness

Project essentialness points apply only to community livability projects, and are designed to assess the degree to which the project is essential for the maintenance of safe and tolerable living conditions. Project essentialness points are subjective and are assigned as follows:

1.	Extremely critical - restricted to life threatening situations;	100 Points
2.	Critical - related to solving health and safety problems;	60 Points
3.	Important – improves living conditions, quality of life;	30 Points
4.	Needed – removes inconvenience, improves quantity or quality of public services;	10 Points
5.	Not Needed – does not address current problem	0 Points

## **XI. Project Selection Process for Economic Development Projects**

Unlike the community development projects in the annual competition, it is not possible to use a point system to select economic development projects for funding. Because of this, the economic development program operates very much like a bank, with loan officers gathering as much information about a project as possible, analyzing this information and making a recommendation regarding funding, with the final decision regarding funding being the responsibility of a Loan Committee.

Each business requesting CDBG assistance is required to provide the following information:

- Business plan;
- Marketing plan;
- Historical financial statements;
- Projections;
- Resumes.

This information is thoroughly analyzed and verified. This involves checking with customers, suppliers, banking references, and others that may provide information on the business and the principals in the business.

The grant or loan request is presented to a Loan Committee which consists of 1) Commissioner of ECD, 2) the Deputy Commissioner of ECD, 3) the Assistant Commissioner of Community Development of ECD, 4) the Assistant Commissioner for Business Services of ECD, 5) the assistant Commissioner of ECD and 6) the Assistant Commissioner of Marketing and Recruiting. The final disposition of the grant or loan request may be approval, denial, approval with conditions, or re-negotiation based on these same criteria.

The final decision on the loan or grant request is based on the following:

1. Does the project meet the federal requirements (especially LMI and necessary and appropriate)?
2. Are the number and type of jobs to be generated appropriate for the amount of assistance being requested?
3. Is the level of risk acceptable?

## **XII. Ability to Pay**

Each CDBG grant (not loan), except for housing, is based upon an ability-to-pay calculation that determines the level of local financial contribution that is required. This ability-to-pay determination includes per capita income, the value of taxable property, and the value of taxable sales.

User-financed projects are based on per capita income only. Tax financed projects are based on per capita income, property values, and sales.



Depending on the service area of the project, ability-to-pay is calculated for municipalities only, rural county only, and the county as a whole. The correct application of these different indices is as follows:

- A. For county applications where 75 percent of the beneficiaries are located in the county, use the county rural rate.;
- B. For county applications where 75 percent of the beneficiaries are located in an incorporated area, use the city rate;
- C. For county applications that do not have 75 percent of the beneficiaries located in either the county or city, use the county aggregate rate;
- D. For city applications, use the city rate;
- E. For economic development applications, use the tax financed rate;
- F. For county economic development applications, use the county aggregate rate.

Grant rates range from 60 to 100 percent for economic development projects and 70 to 100 percent for community development projects.

## **Method of Distribution of Funds and Program Description HOME Program**

### **I. Introduction**

The State of Tennessee has been allocated \$14,484,000 in HOME funds for Fiscal Year 2000. In addition, the State recaptured \$89,707 of prior years' HOME funds, for a total operating budget of \$14,573,707. This program is governed by Title 24 Code of Federal Regulations, Part 92. Those regulations are incorporated by reference in this Program Description. The federal regulations take precedence over this program description in cases of conflicting requirements.

The State of Tennessee uses the HOME program to fund local housing programs designed to promote the production, preservation and rehabilitation of housing for low and very low income households by contracting with cities, counties, public agencies, and eligible nonprofit organizations, including Community Housing Development Organizations (CHDOs). Contracts are awarded on a competitive basis and assist these entities in carrying out multi-year strategies.

In addition, the State provides funds to cities and counties under a THDA-funded grant program. This program is being funded for just one year since the State legislature redirected the dedicated tax revenue for the State-funded HOUSE program to the State General Fund for FY 2000. The THDA Grant Program will consist of three components 1) the Local Match Program; 2) the Great Place Program; and 3) the HOME Match Program. The THDA-funded Grant Program is mentioned as part of this Method of Distribution and Program Description due to certain limitations that apply to local governments when applications are submitted to the State for both HOUSE and HOME.

The Great Place program will fund only one type of activity, single family development. THDA is allocating \$2.5 million for the Great Place Program which will be rewarded through competitive applications. There will be a special set-aside of \$660,000 of Great Place funds for a program, The House the General Assembly Built, to build a house in all 99 HOUSE districts of the state. Thirty-three are scheduled to be built for fiscal year 2000.

One million dollars will be set aside for a special needs program to be announced at a later date.

Under the local match program, THDA will allocate \$1.5 million to qualified counties and CDBG entitlement areas by formula. Each eligible local applicant will receive a commitment for these funds if the funds are matched and an acceptable application is submitted.

Under HOME Match, THDA will add \$1.5 million of its own funds to the urban and rural rounds of the HOME program to serve as a source for the HOME match.

Qualified cities and counties may apply for the Local Match Program. Cities, counties, and eligible non-profit organizations, including Community Housing Development Organizations (CHDOs), may apply for the Great Place or the HOME Program, but not both. Local Participating Jurisdictions (PJs) are those local governments in Tennessee that receive HOME

funds directly from the Department of Housing and Urban Development (HUD). Local PJs will be eligible to receive THDA HOME funds only after all other eligible applicants have been funded. The local PJs are Clarksville, Chattanooga, Jackson, Knoxville, Memphis, Nashville-Davidson County, Knox County, and Shelby County. The maximum Great Place grant is \$200,000, the initial Local match grant is capped at \$150,000; and the maximum HOME grant is \$500,000.

Applications for both programs must be received by the THDA on or before Friday, March 19, 2000. The Agency anticipates notifying successful HOME and THDA Grant Fund applicants by the end of May 2000 with contracts effective July 1, 2000. HOME contracts will end June 30, 2005, and THDA Grant Program contracts will end June 30, 2002.

## **II. The HOME Program**

### **A. Eligible Applicants**

The State of Tennessee will accept applications for the HOME program from cities, counties, public agencies, and private, non-profit organizations. The non-profit organizations must have no part of its net earnings inuring to the benefit of any member, founder, contributor or individual; among its purposes the provision of decent housing that is affordable to low and very low income persons, as evidenced in its charter, articles of incorporation, resolutions or by-laws; a current Certificate of Existence from the Tennessee Secretary of State dated within twelve months of the application due date; and an IRS designation under Section 501(c)(3) of the tax code. Non-profit applicants may not submit an application until they have received their 501(c)(3) designation from the IRS.

The State will also accept HOME applications from community housing development organizations (henceforth CHDOs). A CHDO is a private, non-profit organization that meets all the requirements for a non-profit listed above. In addition, a CHDO must provide accountability to low-income community residents by maintaining at least one-third of its governing board's membership for residents of low-income neighborhoods, other low income community residents, or elected representatives of low-income neighborhood organizations; and provide a formal process for low-income program beneficiaries to advise the organization in its decisions regarding the design, siting, development, and management of affordable housing. CHDOs may only apply for HOME funding for projects in which the CHDO is the owner, sponsor or developer. CHDO applicants must submit CHDO Designation signed by the applicant's counsel. CHDO applicants may not submit an application until they have received their 501(c)(3) designation from the IRS.

Local Participating Jurisdictions (PJs) are those local governments in Tennessee who receive HOME funds directly from the Department of Housing and Urban Development. Local PJs will be eligible to receive State HOME funds only after all other eligible applicants have been funded. The local PJs are Chattanooga, Clarksville, Jackson, Knoxville, Memphis, Nashville/Davidson County, Knox County and Shelby County.

Applicants with 1992, 1993, 1994, 1995 or 1996 HOME funds must have requested (submitted an official Request for Payment Form) 100% of their grant by February 29, 2000, to be eligible for the 2000 HOME program. Applicants with 1997 or 1998 HOME funds must have requested 75% of their grant by February 29, 2000 to be eligible for 2000 funding. Applicants with 1999 HOME funds must have requested at least 15% of their grant by February 29, 2000, to be eligible for 2000 funding. These spending requirements do not apply to applications from CHDOs.

Subject to review by the Grants Committee of the THDA Board of Directors, applicants who have not submitted required documentation to close a prior grant or applicants found in material non-compliance with Agency rules are disqualified.

## **B. Allocation of Funds**

HOME funds committed to the State of Tennessee will be allocated as promulgated in the State of Tennessee's Consolidated Plan. In addition, the State may spend up to ten percent of its HOME allocation for administrative and planning expenses. The State will use five percent of these funds for its own administrative expenses. The remaining five percent is available to pay the administrative costs of local governments and non-profit grant recipients. The State may also spend up to five percent for CHDO operating expenses. The balance of THDA's FY 00 HOME allocation will be divided as follows:

Fifteen percent (15%) will be reserved for eligible applications from CHDO's for 24 months. Funds not committed to CHDO's within that time will be recaptured by HUD. Applications from CHDO's with projects located in the eight local participating jurisdictions will not be considered until all eligible CHDO applications from other areas have been funded. If in the opinion of THDA, the applications submitted do not represent CHDO's with viable proposals or with the potential to comply with all HOME affordability requirements, THDA may choose not to award all of the FY 2000 CHDO funds in the current application round. In addition, THDA may also choose not to have a second CHDO round open to CHDOs in the eight local participating jurisdictions.

Thirty-three percent (33%) percent will be allocated to projects located in urban counties. Urban counties are the counties of Anderson, Blount, Carter, Cheatham, Chester, Davidson, Dickson, Fayette, Hamilton, Hawkins, Knox, Loudon, Madison, Marion, Montgomery, Robertson, Rutherford, Sevier, Shelby, Sullivan, Sumner, Tipton, Unicoi, Union, Washington, Williamson and Wilson. Metropolitan Nashville/Davidson County, Knox County, Shelby County and the cities of Chattanooga, Clarksville, Jackson, Knoxville, and Memphis are excluded from this allocation since they are local Participating Jurisdictions.

Fifty-two percent (52%) will be allocated to projects in rural counties. Rural counties are all other counties in the state not listed above as urban counties or as local Participating Jurisdictions.

For the FY 2000 HOME program, THDA will add \$1.5 million of its own funds to the urban and rural rounds to serve as a source for the required match. Therefore, no local match is required from applicants.

HOME awards will be in the form of a grant. There is, however, an exception for rental housing projects. For small rental projects (those with fewer than 12 units) the HOME funds awarded to a successful applicant can be in the form of a loan or grant. For rental projects of 12 or more units, HOME funds will be awarded to successful applicants only in the form of a loan.

Applicants must request at least \$100,000 in HOME funds to be considered. The maximum grant amount that can be requested by applicants is \$500,000. There is a 10 percent (10%) limit on the amount of HOME funds that can be allocated to any one county in each of the urban and rural divisions. Successful applicants can only receive a maximum of \$500,000 in combined HOUSE Demonstration and HOME program funds.

### **C. ELIGIBLE ACTIVITIES**

There are specific eligible activities under the HOME Program which must address the housing needs of low-and very-low-income households. Eligible activities include:

1. Homeowner or rental housing rehabilitation programs.

- a. *Reconstruction.* For the purposes of the HOME program, rehabilitation includes the demolition and rebuilding or reconstruction of substandard housing. Reconstruction is defined as the rebuilding, on the same lot, of housing standing on a site at the time of project commitment. The number of housing units on the lot may not be decreased or increased as part of a reconstruction project. However, the number of rooms per unit may be increased or decreased depending upon the needs and the size of the household. The reconstructed housing must be substantially similar (i.e., single- or multi-family housing) to the original housing. Reconstruction also includes replacing an existing substandard unit of manufactured housing with a new or standard unit of manufactured housing. A substandard manufactured housing unit cannot be replaced with a stick-built unit.
- b. *Conversion.* Under the HOME program, rehabilitation also includes the conversion of an existing structure from an alternative use to affordable, residential housing. If conversion involves additional units beyond the walls of an existing structure, the project will be deemed new construction. Conversion of structure to commercial use is not eligible for HOME funds.
- c. *Manufactured Housing.* For purposes of this program description, the definition of manufactured housing contained in the Code of Federal Regulations and used by HUD is adopted. Manufactured housing is a

transportable structure, eight feet or more in width, or forty feet or more in length, of at least 320 square feet in size, with a permanent chassis to assure the initial and continued transportability of the structure, and is designed to be used as a dwelling with or without a permanent foundation.

Under limited circumstances, HOME funds may be used to renovate existing manufactured housing, but the HOME assistance will be limited to a maximum of \$10,000 for single-wide units (multiple-width units will be evaluated and pre-approved by THDA on a case by case basis). The \$10,000 limit does not apply to the replacement of substandard manufactured housing units under reconstruction, however, replacement must also be pre-approved by THDA.

To receive assistance, the owner of the manufactured home must also own the land on which the home is located or have a 99-year lease.

3. New construction of rental housing units, including shelters/transitional housing designed to provide housing and appropriate supportive services.
4. Acquisition and/or rehabilitation of rental housing units, including shelters/transitional housing designed to provide housing and appropriate supportive services.
5. Applicants proposing rental-housing programs will need to complete Rental Housing Feasibility Worksheet to determine the overall feasibility of the project. If the proposed project consists of scattered site rental housing, this attachment must be completed for each site.

#### **D. INELIGIBLE ACTIVITIES**

1. HOME funds cannot be used to:
  - a. Provide tenant-based rental assistance for the special purposes of the existing Section 8 program;
  - b. Provide assistance authorized under Section 9 of the 1937 Act (annual contributions for operation of public housing);
  - c. Carry out activities authorized under 24 CFR Part 968 (Public Housing Modernization);
  - d. Provide assistance to eligible low-income housing under 24 CFR Part 248 (Prepayment of Low Income Housing Mortgages);
  - e. Provide assistance to a project previously assisted with HOME funds during the period of affordability established by HUD and THDA in the written agreement. However, additional HOME funds may be committed to a project up to one year after project completion, but the amount of HOME funds in the project may not exceed the maximum per-unit subsidy amount.

2. Homeowner rehabilitation projects are not an eligible activity for a CHDO. A CHDO can only participate in the HOME program if they are the owner, sponsor or developer of a project.

## **E. LEVERAGE**

In the scoring matrix, any project that has leveraged funds will receive additional points. Leveraged funds are funds provided by the local governments, grants from other sources and cash from program beneficiaries. Loan proceeds from a lending institution do not count as leverage. However, the savings generated from a below market interest rate will count as leverage. Administrative funds, anticipated fund-raising revenues, THDA HOUSE funds, and construction loans do not count toward leverage. Leveraged funds counted in one program year do not qualify again as leverage in subsequent years.

The value of donated labor, materials and land will count toward leverage. The value of unskilled labor is set at the current minimum wage, and the value of skilled labor is set at twice the current minimum wage. The value of land and/or a building donated or acquired for a project prior to the application will count as leverage, but there must be an appraisal or tax assessment included in the application to document its value. In order to count donated supplies or materials, only the documented value of the actual goods or materials will be considered and they must be legitimately required by the program. The donor must provide a letter to confirm the amount of the supplies or materials. Proposed discounts will not count as leverage.

## **F. LAYERING**

Layering is the combining of other federal resources on a HOME-assisted project which results in an excessive amount of subsidy for the project. Such activity is prohibited. Grantees will analyze each project to insure that only the minimum amount of assistance is allocated to the project. In no case may the amount of HOME funds exceed the Maximum Per Unit Subsidy Limit.

## **G. HOME PROGRAM REQUIREMENTS**

### **1. INCOME LIMITS**

HOME funds may be used to benefit only low-and very-low-income households. "Low income households" means an individual or family unit whose income does not exceed 80% of the area median income, adjusted for family size. "Very low income household" means an individual or family unit whose income does not exceed 50% of the area median income, adjusted for family size.

For rental property, the income limits apply to the incomes of the tenants, not to the owners of the property. For rental projects, 90% of the households must have incomes below 60% of the area median income, adjusted for family size. (Refer to Section H - Additional Requirements for HOME Rental Programs.)

The income of the household to be reported for purposes of eligibility is the sum of the annual gross income of the beneficiary, the beneficiary's spouse, and any other family member residing in the home or rental unit. Annual gross income is "anticipated" for the next 12 months, based upon current circumstances or known upcoming changes, minus certain income exclusions.

Current limits are in Income Limits for Low and Very Low Income Households. Median income for an area or the state shall be that median income estimate made by the Department of Housing and Urban Development. Median incomes change when HUD makes revised estimates.

## **2. FORMS OF ASSISTANCE**

Assistance from grant recipients to program beneficiaries will be limited to forgivable grants. These are grants that are completely forgiven after a specified period of time as long as the beneficiary adheres to the conditions of the grant.

CDBG Entitlement applicants may request approval from THDA to provide loans which generate program income. Program income must be accounted for and reported to THDA similar to the manner in which these communities report CDBG program income to HUD.

## **3. COMPLIANCE PERIOD**

*Homeowner Rehabilitation.* Grants for homeowner rehabilitation shall have a compliance period of at least five years regardless of the amount of HOME subsidy. The local program may provide for a forgiveness feature of 20% annually. In order to enforce the grant compliance period for homeowner rehabilitation projects, THDA will require that homeowners sign both a grant note and a deed of trust.

*Rental Housing Projects.* Grants for rental housing projects will be subject to affordability requirements based upon the project type and the amount of HOME subsidy per unit. See Section H-3 Affordability Terms For Rental Projects. Prior to drawing down HOME funds, owners of rental projects will be required to sign a grant note, deed of trust and restrictive covenant to enforce the HOME affordability period.

## **4. LEVEL OF SUBSIDY**

MINIMUM HOME DOLLARS	\$1,000	PER UNIT
MAXIMUM HOME DOLLARS	\$35,400	EFFICIENCY LIMIT
	\$40,579	1-BEDROOM LIMIT



\$49,344	2-BEDROOM LIMIT
\$63,834	3-BEDROOM LIMIT
\$70,070	4-BEDROOM OR MORE LIMIT

## 5. PROPERTY STANDARDS

Minimal property standards must be met when HOME funds are used for a project. Any housing constructed or rehabilitated with THDA grant funds under the HOME program must meet all applicable local codes, rehabilitation standards, and zoning ordinances at the time of project completion. In the absence of a local code, new construction of multi-family apartments of 3 or more units must meet the Standard Building Code (1997 edition); new construction or reconstruction of single-family units or duplexes must meet the CABO 1 and 2 Family Dwelling code (1995 edition), and rehabilitation of rental units or existing homeowner units must meet the Standard Housing Code (1994 edition). All three publications are available from:

Southern Building Code Congress  
900 Montclair Road  
Birmingham, AL 35213  
Website: [www.sbcci.org](http://www.sbcci.org)

*Model Energy Code.* New construction projects must meet the Model Energy Code (MEC, 1995 edition), published by the Council of American Building Officials. Copies of the MEC may be obtained from:

Council of American Building Officials  
5203 Leesburg Pike  
Falls Church, VA 22041  
Telephone:(703) 931-4533

*Section 504.* New construction projects with five or more units in the same project must also meet the design requirements of Section 504 of the Rehabilitation Act of 1973. Certain percentages of the housing must be fully accessible to persons with physical impairments (5%) and visual impairments and/or hearing impairments (2%).

## 6. AFTER REHABILITATION PROPERTY VALUE

For homeowner rehabilitation projects, the maximum after rehabilitation value permitted for the type of single-family housing (1-4 family residence, condominium, cooperative unit, combination manufactured home and lot, or manufactured home lot) shall not exceed 95% of the median purchase price for the area as established by HUD. The after rehabilitation value is determined by adding the appraised value of the land and improvements from the county assessor's office and the cost of the rehabilitation (construction hard costs plus project soft costs).

## **H. ADDITIONAL REQUIREMENTS FOR HOME RENTAL HOUSING PROGRAMS**

### **1. INCOME REQUIREMENTS FOR HOME TENANTS**

*INITIAL OCCUPANCY.* Rental housing will qualify as affordable only if, INITIALLY, the income composition is as follows:

- a. In the case of projects with five or more rental units or in the case of an owner of multiple one or two unit projects with a total of five or more rental units:
  - 1) 20% of the HOME-assisted rental units must be occupied by tenants who have annual incomes that are 50% or less of median income, adjusted for family size, and must pay the Low HOME rents;
  - 2) 70% of the HOME-assisted rental units must be occupied by tenants who have annual income that are 60% or less of median, adjusted for family size, and may pay the High HOME rents. (60% of median income is computed by multiplying the family income at 50% of the median, adjusted for family size, by 120%); and
  - 3) the remaining 10% of the HOME-assisted rental units must be occupied by tenants who have annual incomes that are 80% or less of median income, adjusted for family size, and may pay the High HOME rents.
- b. If the five or more unit rule does not apply to your project, then the tenants may pay the High HOME rents and the income composition at initial occupancy is:
  - 1) 10% of the HOME-assisted rental units must be occupied by tenants who have annual incomes that are 80% or less of median income, adjusted for family size; and
  - 2) 90% of the HOME-assisted rental units must be occupied by tenants who have annual incomes that are 60% or less of median income, adjusted for family size.

*LONG TERM OCCUPANCY REQUIREMENTS.* Owners of rental property are required to maintain occupancy of units by low income and very low income persons for an affordability period ranging from 5 to 20 years.

- a. During the applicable affordability period, 80 percent of the HOME-assisted units must be occupied by persons with incomes at or below 80 percent of median income, adjusted for family size;

- b. 20 percent of the HOME-assisted units must be occupied by households with incomes at or below 50 percent of median income, adjusted for family size.
- c. Tenants whose annual incomes increase to over 80 percent of median may remain in occupancy but must pay no less than 30 percent of their adjusted monthly income for rent and utilities.

HOME-assisted units retain their HOME designation for the entire period of affordability. However, units that are designated as Low HOME rent units and High HOME rent units can, but are not required to, "float" within the HOME-assisted units to maintain compliance with long-term occupancy requirement.

The owner shall make every effort to keep the project in compliance during the affordability period by leasing the next available unit to an individual at the income level needed for compliance.

## 2. RENT LEVELS

Every HOME assisted unit is subject to rent controls designed to make sure that rents are affordable to low or very low-income households. These maximum rents may be referred to as HOME rents.

Rents are controlled for the length of the applicable affordability period. These rents are determined on an annual basis by HUD. The owner will be provided with these rents, which include all utilities. The cost of utilities paid by tenants must be subtracted (using applicable utility allowances) from the published HOME rents to determine the maximum allowable rents. HOME rents are not necessarily representative of market conditions and HOME rents may increase or decrease from year to year. Regardless of changes in fair market rents and in median income over time, the HOME rents for a project are not required to be lower than the HOME rents for the project in effect at the time of project commitment. HOME rents represent the following:

- a. *HIGH HOME RENTS*. The LESSER of Fair Market Rents for existing units as determined by HUD OR 30% of 65% of median income, adjusted for family size.
- b. *LOW HOME RENTS*. This rent is equal to 30% of 50% of median income, adjusted for family size

Each Grantee should be aware of the market conditions of the area in which the project is located. The High HOME rents and Low HOME rents are maximum rents that can be charged. Each project should show market feasibility not based upon the High and Low HOME rents, but rather upon area housing markets and HOME occupancy requirements that demand occupancy by low- and very low-income persons. Rents shall not exceed the published High and Low HOME rents, adjusted for utility arrangements and bedroom size. However, because

these rents must also be attractive to lower income tenants, actual rents may be lower than the High and Low HOME rents. Programs should be designed so they take into consideration the market feasibility of projects funded.

### 3. AFFORDABILITY TERMS FOR RENTAL PROJECTS

HOME assisted Rental units are rent and income controlled for varying lengths of time depending upon the average amount of HOME funds invested per unit:

ACTIVITY	\$ PER HOME UNIT	AFFORDABILITY PERIOD
Rehabilitation or Acquisition of existing housing	Less than \$14,999	5 years
Rehabilitation or Acquisition of existing housing	\$15,000 - \$40,000	10 years
Rehabilitation or Acquisition of existing housing or rehabilitation involving refinancing	Over \$40,000	15 years
New Construction or Acquisition of New Housing		20 years

### 4. GRANTEE'S ON-GOING OBLIGATIONS FOR RENTAL PROPERTY

After the project is officially closed-out by letter to the Grantee, the record will be transferred to the Internal Audit Division of THDA for long-term compliance monitoring. The Internal Audit Division will provide Grantees with information on HOME Long Term Compliance. Each Grantee will be monitored annually to determine each project's compliance with the HOME Rules and Regulations. Each Grantee will also be monitored for adherence to its contract with THDA.

The rental housing long term monitoring requirements are the responsibility of the Grantees. They are responsible for:

- a. Annual income certification of tenants;
- b. Adherence to the HOME rent and income composition guidelines;
- c. Compliance with the Standard Housing Codes or Section 8 Housing Quality Standards;
- d. Reporting to THDA.

### I. HOME RELOCATION REQUIREMENTS

***THDA DISCOURAGES PROJECTS INVOLVING DISPLACEMENT OR RELOCATION. PRIOR TO APPLICATION, CONTACT THDA IF YOU ARE PLANNING ANY PROJECT THAT MAY INVOLVE DISPLACEMENT OR RELOCATION.***

The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Uniform Act), and its implementing regulations, 49 CFR Part 24 requires relocation assistance where acquisition has occurred under the Uniform Act. In addition, the Uniform Act coverage was expanded in 1987 amendments to cover displacement of individuals resulting from rehabilitation, demolition or private acquisition carried out under a federally assisted project or program.

Section 104(d) of the Housing and Community Development Act ("The Barney Frank Amendments") and HUD's Residential Anti-Displacement and Relocation Assistance Plan include additional relocation requirements. This extra level of relocation protection may be triggered for low-income households when units are converted or demolished with CDBG, UDAG, or HOME funds. In addition, when Section 104(d) is triggered, jurisdictions may need to replace any low/moderate income dwelling units that are lost due to the conversion or demolition. This section refers only to residential relocation. If non-residential (commercial/industrial) relocation is involved, contact THDA.

Understanding how relocation requirements are triggered, alternate ways of meeting them, and the costs of the alternatives is essential in making HOME program decisions. Concerns about relocation may cause an administrator to consider establishing a preference for vacant buildings. However, administrators should also consider that vacant buildings are often very deteriorated. Rehabilitating an occupied building even with the cost of assisting tenants to remain or relocate, may be less costly than rehabilitating a vacant building. In occupied buildings, program administrators must consider whether occupants will be able to return after rehabilitation and whether Section 8 assistance is available to help meet relocation costs. Selecting vacant projects does not relieve all relocation concerns. Vacant buildings in good condition may have been recently occupied. If so, the program administrator must consider whether the owner removed the tenants in order to apply for HOME assistance for a vacant building. If so, these tenants are displaced persons.

Skilled staff can save the local program money and build goodwill with owners and tenants. Failure to understand and follow relocation requirements can result in unnecessary costs for the local program. It is possible for uninformed owners and staff to take steps that would obligate the local program to provide significant relocation benefits and services. Early briefings for owners and program staff on relocation rules are essential. Handbook 1378, Tenant Assistance, Relocation and Real Property Acquisition consolidates relocation requirements for HOME and other HUD programs in one document. It is available from HUD Field Offices or by contacting THDA. HUD informational booklets for persons who are displaced or whose property is to be acquired are also available from HUD Field Offices or from THDA.

URA requirements are triggered at the time the application is being prepared, and additional requirements are triggered at the time the working agreement is signed between the owner and the grantee and when rehabilitation is completed. Treatment of displaced persons depends upon whether the displaced person is (1) a tenant or owner; (2) a business or family; (3) has income above or below the Section 8 Lower Income Limit.

**WHO IS A DISPLACED PERSON?** - Any person (family, individual, business, farm, or non-profit organization) that moves from the real property, permanently, as a direct result of rehabilitation, demolition, or acquisition for a project assisted with HOME funds. Relocation requirements apply to all occupants of a project/site for which HOME assistance is sought even if less than 100% of the units are HOME assisted.

**WHO IS NOT A DISPLACED PERSON?** - A tenant evicted for cause, assuming the eviction was not undertaken to evade URA obligations. A person with no legal right to occupy the property under State or local law (e.g., squatter). A tenant who moved in after the application was submitted but before signing a lease and commencing occupancy, was provided written notice of the planned project, its possible impact on the person (e.g., the person may be displaced, temporarily relocated, or experience a rent increase), and the fact that the person would not qualify as a "displaced person" (or for any assistance under URA as a result of the project). A person, after being fully informed of their rights, waives them by signing a Waiver Form.

### **HOW IS DISPLACEMENT TRIGGERED?**

*Before Application.* A tenant moves permanently from the property before the owner submits an application for HOME assistance **if** THDA or HUD determines that the displacement was a direct result of the rehabilitation, demolition, or acquisition for the HOME project. (e.g., THDA determines that the owner displaced tenants in order to propose a vacant building for HOME assistance.)

*After Application.* A tenant moves permanently from the property after submission of the application, or, if the applicant does not have site control, the date THDA or the local program administrator approves the site because: (1) the owner requires the tenant to move permanently; or (2) the owner fails to provide timely required notices to the tenant; or (3) the tenant is required to move temporarily and the owner does not pay all actual, reasonable out-of-pocket expenses or because the conditions of the move are unreasonable.

*After Execution of Agreement.* A tenant moves permanently from the project after execution of the agreement covering the acquisition, rehabilitation or demolition because the tenant is not provided the opportunity to lease a suitable, affordable unit in the project.

## **J. HOME PROGRAM RESIDENTIAL ANTI-DISPLACEMENT AND RELOCATION ASSISTANCE PLAN**

The Tennessee Housing Development Agency will replace all occupied and vacant occupiable lower income housing demolished or converted to a use other than as lower income housing in connection with a project assisted with funds provided under the HOME Investment Partnership Act.

All replacement housing will be provided within three years after the commencement of the demolition or conversion. Before entering into a working agreement committing

Tennessee Housing Development Agency to provide funds for a project that will directly result in the demolition or conversion, the Tennessee Housing Development Agency will make public by and submit to HUD, Knoxville HOME coordinator certain information. Each applicant proposing demolition or any reduction in lower income housing units must submit the following information to THDA:

1. A description of the proposed assisted project;
2. The address, number of bedrooms, and location on a map of lower income housing that will be demolished or converted to a use other than as lower income housing as a result of an assisted project;
3. A time schedule for the commencement and completion of the demolition or conversion;
4. To the extent known, the address, number of bedrooms and location on a map of the replacement housing that has been or will be provided.
5. The source of funding and a time schedule for the provision of the replacement housing;
6. The basis for concluding that the replacement housing will remain lower income housing for at least 10 years from the date of initial occupancy;
7. Information demonstrating that any proposed replacement of housing units with smaller dwelling units (e.g., a 2-bedroom unit with two 1-bedroom units), or any proposed replacement of efficiency or single-room occupancy (SRO) units with units of a different size, is appropriate and consistent with the housing needs and priorities identified in the approved Consolidated Plan.

## **K. EQUAL OPPORTUNITY AND FAIR HOUSING**

No person in the United States shall on the grounds of race, color, national origin, religion or sex be excluded from participation, denied benefits or subjected to discrimination under any program funded in whole or in part by HOME funds. The following Federal requirements as set forth in 24 CFR 5.105(a), Nondiscrimination and equal opportunity, are applicable to HOME projects:

Fair Housing Act	24 CFR 100
Executive Order 11063, as amended (Equal Opportunity in Housing)	24 CFR 107
Title VI of the Civil Rights Act of 1964 (Nondiscrimination in Federal programs)	24 CFR 1
Age Discrimination Act of 1975	24 CFR 146
Section 504 of the Rehabilitation Act of 1973	24 CFR 8

Executive Order 11246, as amended  
(Equal Employment Opportunity Programs)

41 CFR 60

Section 3 of the Housing & Urban Development Act of 1968 24 CFR 135

Section 3 requires that the employment and other economic opportunities generated by Federal financial assistance for housing and community development programs shall, to the greatest extent feasible, be directed toward low and very low income persons, particularly those who are recipients of government assistance for housing.

Executive Order 11625, as amended (Minority Business Enterprises)

Executive Order 12432, as amended (Minority Business Enterprise Development)

Executive Order 12138, as amended (Women's Business Enterprise)

Executive Orders 11625, 12432, and 12138 (Minority/Women's Business Enterprise) require that PJs and local programs must prescribe procedures acceptable to HUD for a minority outreach program to ensure the inclusion, to the maximum extent possible, of minorities and women and entities owned by minorities and women in all contracts. Local programs must also develop acceptable policies and procedures if their application is approved by THDA.

In addition to the above requirements, the PJ and local programs must assure that its Equal Opportunity and Fair Housing policies in the HOME Program are consistent with its current Consolidated Plan.



## **L. SITE AND NEIGHBORHOOD STANDARDS**

Housing provided through the HOME program must promote greater choice of housing opportunities. Specific rules are:

1. HOME-provided housing must be suitable from the standpoint of facilitating and furthering full compliance with the applicable provisions of Title VI of the Civil Rights Act of 1964, the Fair Housing Act, Executive Order 11063, and HUD regulations issued pursuant thereto.
2. New construction of rental housing must meet site and neighborhood standards from 24 CFR 893.6(b) that places limiting conditions on building in areas of "minority concentration" and "racially mixed" areas.

These rules are complex and subject to interpretation. Several common sense actions will help in deciding on projects. Avoid action that would ultimately increase the racial segregation in your communities. Review rental new construction plans with your HUD field office. Try to get input from the Fair Housing person and the program person. Identify and address community concerns about projects to the greatest extent possible before committing funds.

## **M. AFFIRMATIVE MARKETING**

Local programs must adopt affirmative marketing procedures and requirements for all HOME rental housing with five or more units. These must be approved by THDA prior to any HOME funds being committed to a project. Requirements and procedures must include:

1. Methods for informing the public, owners and potential tenants about fair housing laws and the local program's policies;
2. A description of what owners and/or the program administrator will do to affirmatively market housing assisted with HOME funds;
3. A description of what owners and/or the program administrator will do to inform persons not likely to apply for housing without special outreach;
4. Maintenance of records to document actions taken to affirmatively market HOME-assisted units and to assess marketing effectiveness; and
5. Description of how efforts will be assessed and what corrective actions will be taken where requirements are not met.

## **N. ENVIRONMENTAL REVIEW**

In implementing the HOME program, the environmental effects of each activity must be assessed in accordance with the provisions of the National Environment Policy Act of 1969 (NEPA) and the related authorities listed in HUD's regulations at 24 CFR Parts 50 and 58.

THDA as the Participating Jurisdiction and the units of local government funded by THDA will be responsible for carrying out environmental reviews. THDA will approve the release of funds for local governments and must request the release of funds from HUD for any projects of CHDOs or non-profit organizations. The CHDOs and non-profit organizations will be responsible for gathering the information required for the environmental reviews. HOME funds cannot be committed until the environmental review process has been completed. Commitments for expenditures made prior to the approval of the environmental review cannot be reimbursed with HOME funds.

#### **O. LEAD-BASED PAINT**

Housing assisted with HOME funds is subject to the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821 et seq.) and 24 CFR Part 35, Subparts C through M. The lead-based paint provisions of 982.401(j) also apply, irrespective of the applicable property standard under 24 CFR 92.251. The Lead-Based Paint regulations are available at [www.hud.gov/lea](http://www.hud.gov/lea) or by contacting 1-800-424-LEAD (5323). In a project in which not all units are assisted with HOME funds, the lead-based paint requirements apply to all units and common areas in the project.

#### **P. LABOR STANDARDS**

Davis-Bacon wage compliance and other Federal laws and regulations pertaining to labor standards apply to all contracts for rehabilitating or constructing 12 or more units assisted with HOME funds. The contract for construction must contain the applicable wage provisions and labor standards. Davis-Bacon does not apply to projects using volunteer labor or to sweat equity projects.

#### **Q. DEBARMENT AND SUSPENSION**

Local programs must require participants in lower-tier transactions covered by 24 CFR 24 to certify that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from the covered transaction.

#### **R. FLOOD PLAINS**

HOME funds may generally not be invested in housing located in an area identified by the Federal Emergency Management Agency as having special flood hazards. THDA discourages projects located in special flood hazard areas, but in a few instances and with written permission from THDA, houses located in a floodplain may be assisted. The community must be participating in the National Flood Insurance Program and flood insurance must be obtained on the units.

## **S. CONFLICT OF INTEREST**

In the procurement of property and services, the conflict of interest provisions in 24 CFR 85.36 and 24 CFR 84.42, respectively, apply. In all cases not governed by 24 CFR 85.36 and 24 CFR 84.42 the conflict of interest provisions of the HOME Rule apply.

The conflict of interest provisions of the HOME program are more strict than those of other federal programs. The HOME conflict of interest provisions apply to any person who is an employee, agent, consultant, officer, elected official or appointed official of THDA, a State recipient or sub-recipient receiving HOME funds. No person listed above who exercises or have exercised any functions or responsibilities with respect to activities assisted with HOME funds or who is in a position to participate in a decision-making process or gain inside information with regard to these activities may obtain a financial interest or benefit from a HOME-assisted activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter.

No owner, developer or sponsor of a project assisted with HOME funds (or officer, employee, agent or consultant of the owner, developer or sponsor) whether private, for profit or non-profit (including a CHDO when acting as an owner, developer or sponsor) may occupy a HOME-assisted affordable housing unit in a project. This provision does not apply to an owner-occupant of single-family housing or to an employee or agent of the owner or developer of a rental housing project who occupies a HOME-assisted unit as the project manager or maintenance worker.

Requests for exceptions may be made to THDA. Exceptions will be reviewed on a case-by-case basis and forwarded to HUD for a decision. HUD will not consider an exception to the conflict of interest regulations of the HOME program if HOME assistance has already been provided. Such a project would be considered an ineligible activity, and any HOME funds would have to be repaid.

## **T. PROCUREMENT**

It is important to keep the solicitation of bids for goods and services as well as professional services contracts open and competitive. Cities, counties and non-profit organizations must follow their procurement policies and meet federal requirements. At a minimum, cities and counties must comply with 24 CFR 85.36 and non-profits must comply with 24 CFR 84.

Applicants should obtain 3 to 5 bids using formal advertising or requests for proposals for the procurement of professional services such as grant administration, inspections and work write-ups. There must be an established selection procedure and a written rationale for selecting the successful bid or proposal.

## **U. APPLICATION AND EVALUATION PROCEDURE**

THDA will evaluate each application to determine if the proposal meets threshold criteria. Threshold criteria includes: submission of a complete application; proposal of an eligible activity; proposal of a project that in the opinion of THDA is physically, financially and administratively feasible; and proposal of a project that meets the requirements of 24 CFR Part 92, as amended. In addition, threshold requirements for non-profit organizations and CHDOs include: demonstrated capacity to provide affordable housing for low income households; a Board of Directors involved in the operation and oversight of the agency's programs; financial base for the agency's program and operating expenses independent of the proposed HOME funds; and sufficiently trained staff to administer a HOME program.

Applications meeting the threshold criteria will be scored and ranked in descending numerical order within the urban, rural or CHDO rounds, based on the following categories:

## **HOME PROGRAM URBAN AND RURAL MATRIX - Up to 220 Points**

- |           |  |                        |
|-----------|--|------------------------|
| <b>1.</b> | <b>CAPABILITY</b>  | <b>Up to 50 points</b> |
|           | <ul style="list-style-type: none"> <li>▪ The proposed program demonstrates exceptional planning, readiness and administrative capability. <span style="float: right;">Up to 20 points</span> <ul style="list-style-type: none"> <li>• The program design is complete and all necessary components to accomplish the project are identified in the application.</li> <li>• Potential sites have been identified for rental projects.</li> <li>• Individuals/firms providing architectural, construction management and/or inspection services have been identified.</li> <li>• Program administrators have been identified.</li> <li>• Demonstrated capability to secure financial arrangements which exceeds threshold requirements.</li> </ul> </li> <li>▪ If applicable, THDA assessment of previous performance under HOUSE or HOME by the consultant, or the applicant, if administering own project. <span style="float: right;">Up to 20 points</span> <ul style="list-style-type: none"> <li>• Program knowledge and administration</li> <li>• Ability to draw down funds</li> <li>• Monitoring findings</li> <li>• Response to client concerns or complaints, etc.</li> </ul> </li> <li>▪ Amount of program administrators' relevant experience in administering other housing programs, including oversight of rental housing programs. <span style="float: right;">Up to 10 points</span></li> </ul> |                        |
| <b>2.</b> | <b>NEED</b>  | <b>Up to 50 points</b> |
|           | <p>THDA has calculated need factors using statistics for cities, counties and census tracts. <i>Census tract need scores are provided only if the census tract score is higher than the county need score.</i> Factors are based on percentages rather than absolute numbers. The need factors used are percentages of the State's lower income households, the percentage of units built prior to 1950,</p>   |                        |

and the percentage of households with housing costs greater than 30% of income. Scores to be used in the evaluations are shown in 2000 THDA Grant Program and 2000 HOME Need Scores for Cities and Counties and 2000 HOME Need Scores for Census Tracts. For multi-county projects, this score is calculated proportionately according to the number of units proposed for each county. Shows scores to be used by applicants proposing projects in census tracts.

### **3. LEVERAGING OF OTHER FUNDS**

**Up to 50 points**

THDA shall award points to applicants whose projects will include the use of funds from other sources. THDA will award points in this category based on the actual percentage of other funds in the project. Leveraged funds counted in one program year do not qualify again as leverage in subsequent years. (See HOME Leverage Requirements - page 30). In order to receive points, there must be written documentation for the leveraged funds in the application.

### **4. NOT PROPORTIONALLY SERVED**

**Up to 50 points**

THDA shall award up to 50 additional points to applications submitted from areas where the amount of HOUSE and HOME funding is below the state average. The formula for awarding these points is based on the percentage of 1997, 1998 and 1999 HOME and 1998 and 1999 HOUSE dollars awarded in each county. These calculations are shown in HOME Program Not Proportionally Served. For multi-county projects, this score is calculated proportionately according to the number of units in each county.

### **5. APPROVED GROWTH PLANS**

Points for Approved Growth Plans in the 2000 Grant Cycle for HOME and the THDA Grant Program

In order to implement the requirements of Public Chapter 1101 which requires awarding bonus points to communities with approved growth studies, we included bonus points in our original Program Description for the 2000 HOME and THDA Grant Programs. At the recent application workshop, it was emphasized that there are differing levels of review and approval for growth plans, culminating in approval after July 1, 2000 by the local government planning advisory committee. However, THDA's application process is completed and grants are awarded prior to July 1, 2000.

In response to the concerns and questions raised regarding these timing issues, THDA has researched and ultimately reconsidered its implementation of Public Chapter 1101. THDA will make the provision for awarding the bonus points in the 2001 grant cycle. Applications for the 2000 grant round will not need to include information regarding approved growth plans. We hope this change in the way that THDA implements the awarding of bonus points will address the differences in the timing of the THDA grant cycle and the approval process for growth plans.

## HOME PROGRAM CHDO MATRIX - Up to 250 Points

### 1. CAPABILITY OF THE ORGANIZATION (BEYOND THRESHOLD) Up to 60 points

- The organization demonstrates administrative capability
  - Has the CHDO produced successful affordable housing projects? Up to 15 points
  - THDA assessment of previous HOUSE or HOME projects administered by the CHDO, including: Up to 20 points
    - Program knowledge and administration
    - Ability to draw down funds
    - Monitoring findings
    - Response to client complaints
    - Long-term compliance with HOME rules
  - Does the organization demonstrate capacity to manage rental housing programs? Up to 15 points
  - Does the agency budget reflect multiple sources of funding? Up to 10 points

### 2. CAPABILITY FOR THE PROPOSED PROJECT (BEYOND THRESHOLD) Up to 40 points

- The project demonstrates exceptional planning and readiness.
  - The program design is complete and all necessary components to accomplish the project are identified in the application. Up to 20 points
    - Sites have been identified and CHDO has site control.
  - Feasibility worksheet is complete and demonstrates need for HOME funds. Up to 10 points
  - CHDO has the capacity to secure other funding for the project. Commitment letters are included in the application. Up to 10 points

### 3. NEED Up to 50 points

THDA has calculated need factors using statistics for cities and counties. Census tract need scores are provided only if the census tract score is higher than the county need score. Factors are based on percentages rather than absolute numbers. The need factors used are percentages of the State's lower income households, the percentage of units built prior to 1950, and the percentage of households with housing costs greater than 30% of income. Calculations and scores to be used in the evaluations are shown in 2000 THDA Grant Program and 2000 HOME Need Scores for Cities and Counties and 2000 HOME Need Scores for Census Tracts. For multi-county projects, this score is calculated proportionately according to the number of units proposed for each county. shows scores to be used by applicants proposing projects in census tracts.

### 4. LEVERAGING OF OTHER FUNDS Up to 50 points

THDA shall award points to applicants whose projects will include the use of funds from other sources. THDA will award points in this category based on the actual percentage of other funds in the project. Leveraged funds counted in one program year do not qualify again as

leverage in subsequent years. (See HOME Leverage Requirements - page 30). In order to receive points, there must be written documentation for the leveraged funds in the application.

**5. NOT PROPORTIONALLY SERVED**

**Up to 50 points**

THDA shall award up to 50 additional points to applications submitted from areas where the amount of HOUSE and HOME funding is below the state average. The formula for awarding these points is based on the percentage of 1997, 1998 and 1999 HOME and 1998 and 1999 HOUSE dollars allocated to each county. These calculations are shown in HOME Program Not Proportionally Served. For multi-county projects, this score is calculated proportionately according to the number of units in each county.

## **Method of Distribution of Funds and Program Description Housing Opportunities for Persons with Aids Program (HOPWA)**

### **I. Introduction**

The State of Tennessee has been allocated \$556,000 in federal funds to help in Housing Opportunities for Persons with AIDS (HOPWA) program in 2000. Two metropolitan areas of the state received direct HOPWA funds from HUD. The state will administer funds to the remainder of Tennessee. No more than 3% of the State's award will be retained by the Department of Health, AIDS Program for administrative costs. The remaining 97% will be contracted using a RFPG request for grant proposal process for not-for-profit, AIDS Community-Based Organizations (CBOs).

During the 1996 grant year, the State was notified that two of the State's metropolitan regions became entitlements under HOPWA, thus creating different rural geographic areas in the State than were originally funded under the HOPWA program. These geographic revisions resulted in the State AIDS program selecting two nonprofit community based AIDS organizations which historically were the only AIDS programs operating in these rural regions. Previously they had been subcontractors for HOPWA funds and are now being offered primary contracts due the loss of the metropolitan areas. Public notices were published in the newspaper to ensure that no other HUD-eligible agency was interested in applying for HOPWA funds. These two new contract agencies were required to submit a proposal similar in content to the previous proposals required by the RFP but will be funded under the formula.

In preparation for initial proposal submission, the AIDS Program staff met with AIDS CBOs and other agencies interested in applying for HOPWA funds. Because of consultations, Tennessee will use the HOPWA funds for projects that address needs in these areas:

- A. Housing information services including, but not limited to, counseling, information, and referral services to help eligible individuals to locate, acquire, finance, and maintain housing. This may also include fair housing counseling for eligible beneficiaries who may encounter discrimination based on race, color, religion, sex, age, national origin, familial status, or disability;
- B. Resource identification to establish, coordinate, and develop housing assistance resources for eligible persons (including conducting preliminary research and making expenditures necessary to decide the feasibility of specific housing-related initiatives);
- C. Short-term rent, mortgage, and utility payments to prevent homelessness of the tenant or mortgagor of a dwelling;
- D. Supportive services including, but not limited to, health, mental health, assessment, permanent housing placement, drug and alcohol abuse treatment and counseling, day care, nutritional services, intensive care when required, and assistance in gaining access in local, state, and federal government benefits and services, except that health services may only be provided to individuals with AIDS or related diseases and not to family members of these individuals.



The Department of Health will contract with established not-for-profit agencies showing both the plan and the ability to provide direct intervention and housing assistance to eligible individuals and their families. Recommended minimum or maximum requests will not be given. Each proposal was evaluated on the scope of the proposed activities and the amount of funding required. Funding was initially awarded as available to agencies that submitted proposals that best met the required criteria and provided a detailed budget.

The AIDS Program issued an initial RFP for the four named activities, encouraging the maximum use of HOPWA funds for HIV infected individuals and their family members threatened with homelessness. Proposals were reviewed by a panel of persons with expertise in AIDS health care, housing, and homelessness issues. Evaluators adhered to all aspects of the federal regulations governing HOPWA. Additional evidence considered included the level of local or regional networking among area HIV service organizations; plans to identify HIV positive persons who are homeless but not part of any HIV support system; plans to serve both rural and urban residents; and the development of emergency housing plans for HIV positive persons.

## **II. Program Plan**

### **A. Background and Need**

Each plan included a "background and need" section that: (a) identified the applicant's HIV-specific program to date, concentrating heavily on specific client-related service; (b) analyzed the proposer's client caseload, concentrating specifically on data to show the need for HIV housing related services and activities; (c) documented how other HIV specific agencies have been consulted to decide local needs for housing related services; (d) for previous HOPWA grant recipients, a demographic breakdown of HOPWA clients, including the three low income categories, was detailed.

### **B. Program Plan**

Based upon the information identified in the "Background and Need" section, each proposal provided a "program plan" that identified each activity selected for inclusion in the proposal and an estimate on the number of individuals expected to be served. The program plan outlined procedures expected to be initiated within each selected activity: (a) initial client referral; (b) intake and determination of eligibility; (c) provision of services; (d) reviews of client situation for additional needs and/or continuation of assistance and; (e) discharges for the program.

### **C. Outreach and Networking**

Each plan included a means through which potentially eligible applicants and recipients are notified of the availability of housing assistance. The plan also addressed individuals in need in the surrounding rural areas, as appropriate, as well as individuals who may be HIV infected and homeless, but not part of any existing HIV support system.

Each applicant included a local and/or regional networking plan involving agencies that provide HIV related services that will be used for service referrals. Organizations participating in this network included local and regional health department AIDS programs, other HIV-related community-based organizations, alcohol and drug abuse HIV outreach agencies, HIV specific clinics, counseling, and testing sites, homeless shelters and soup kitchens, local social service agencies, local Red Cross and Planned Parenthood organizations, and other agencies involved in a specific area.

All plans described and developed procedures for interagency referral and follow-up documentation to ensure other needed services are discussed and information on application for such services is made available to clients in need.

D. Definition of "Family Member"

A formal definition of "family member" that was applied by each applicant to individuals applying for housing assistance will be addressed. Consideration was given to relationships outside traditional marriage between opposite sexes. The definition of "family member" was specific enough to prevent situations where an individual receives housing assistance and subsequently provides a place to live for one or more friends or acquaintances. HUD also defines "family" as a household composed of two or more related persons. The term "family" also includes one or more eligible persons living with another person or persons who are decided to be important to their care or well being, and the surviving member or members of any family described in this definition who were living in a unit helped under the HOPWA program with the person with AIDS at the time of his or her death.

E. Geographic Target Area

The geographic target area to be covered under funds awarded was detailed by each applicant. In the event the target area was limited to a metropolitan city, the plan addressed how needs/inquiries from individuals in surrounding rural areas would be handled. All Tennessee counties not served by HOPWA entitlements will be served by the State HOPWA program in 2000-01.

**Methodology for Formula Distribution****HOPWA Program**

For the HOPWA program, the State is divided into seven regions. Sponsors wishing to receive HOPWA funds may submit applications to the HOPWA program. Total funding awards will not exceed the amount available for distribution within the region.

East Tennessee	30%	\$162,000
Northeast Tennessee	10%	\$54,000
Upper Cumberland	5%	\$27,000
Mid Cumberland (Stewart, Montgomery, Houston, Humphreys, Dickson counties)	4%	\$21,600
South Central Tennessee	7%	\$37,800
Southeast Tennessee	28%	\$151,200
West Tennessee	16%	\$86,400
<a href="#"><u>Grantee Admin</u></a>		<a href="#"><u>\$16,000</u></a>
TOTAL	100.00%	\$556,000

## **Method of Distribution of Funds and Program Description Emergency Shelter Grant (ESG) Program**

The State of Tennessee has been allocated \$1,299,000 from HUD for the Fiscal Year 2000 ESG program. The State proposes no significant changes in the administration of the ESG program for Fiscal Year 2000. Funds will be allocated through small cities set aside, statewide prevention, and statewide competition mechanisms.

Core activities are the renovation and operation of emergency homeless shelters in under-served areas of the State. The State is particularly interested in developing and expanding shelter programs in rural areas that lack ready access to other homeless funds.

The state proposes to review and rank applications, and make final awards, based on:

1. The final award to the state;
2. The rating instrument contained in the application;
3. Development of new homeless shelters in unserved areas of the State;
4. Provision of services to the most critically homeless populations; and
5. An assessment of other resources available to the applicant to support the activities for which ESG funds are requested.

The State will use the rating instrument contained in the Department of Human Services' application package to establish threshold criteria for consideration for funding. Final funding decisions will be based on a review of the other areas of consideration noted above.

Those awarded funds must meet the following requirements:

Each recipient must obligate all of its grant amount by 180 days after the date the State made the grant available to it;

The scope of allowable activities includes the provision of certain prevention activities, certain essential services and the payment of certain costs of operation in addition to the renovation, major rehabilitation or conversion of eligible buildings as emergency shelters;

Recipients must maintain assisted shelters for either a three or ten year period (if renovation activities are undertaken) while providing on-going assistance to homeless clients;

Recipients must provide an amount of local funds or allowable in-kind contributions equal to the ESGP funds requested, to meet the 50% match requirement for the program. The state, once again, has the option of eliminating the match on the "first \$100,000" of the state grant for the recipient(s) "least capable" of providing the local share of the funding. However, the State has elected to award the first \$100,000 to the State's CSBG agencies for a statewide homeless prevention program. All 2000 ESGP agencies must meet the required match.

Local government recipients may distribute all or parts of their grant amounts to eligible private, nonprofit organizations for allowable ESGP activities; and

Recipients must execute an ESGP agreement with the State for the period of July 1, 2000 through June 30, 2,001. Reimbursement for eligible activities will cover the period July 1, 2000 through June 30, 2,001.

Other allocation considerations include:

1. The State will allocate \$335,260 on a formula basis to the seven CDBG entitlement cities who do not receive ESG formula funds, but are expected to address homelessness through the "Continuum of Care" described in their Consolidated Plans.
2. The State will set aside \$100,000 for a Statewide Homeless Prevention program. These funds will be allocated on a formula basis to the 22 existing CSBG Community Action and Human Resource Agencies statewide. Agency allocations and allowable prevention activities will be available when final ESG awards are made.
3. The State of Tennessee Department of Human Services is committed to ensuring that State funded shelters offer guests a safe, clean environment, with committed staff, sensitive to the special needs of homeless persons. DHS will make every effort to fund activities that support voluntary compliance with the Emergency Shelter Standards included in the Application materials. These standards are adapted from the considerable efforts of the Nashville Coalition for the Homeless, who conducted a national review of available homeless shelter standards.
4. The State will continue to fund a health care outreach program to be administered by the National Health Care for the Homeless council, which is located in Nashville, Tennessee. This project will provide training and technical assistance to ESGP- funded emergency family and domestic violence shelters to encourage enrollment of the homeless in Tennessee's managed health care plan (TennCare) for the poor. As time and resources are available, non-ESGP funded shelters may participate.

**2000 Allocation Plan**

Award		\$1,299,000
State Administration (5%)		(64,950)
Statewide Homeless Prevention Setaside (22 CSBG agencies)		(100,000)
Small Cities Setaside*		
Bristol	35,880	
Kingsport	41,900	
Johnson City	46,940	
Oak Ridge	23,130	
Murfreesboro	44,930	
Clarksville	76,780	
Jackson	65,700	
	335,260	(335,260)
Available for Competitive Applications		\$798,790

\* No setaside is available for Memphis, Nashville, Chattanooga, and Knoxville because they receive direct ESG formula funds. Setaside formula is based on population, poverty rate, unemployment, and the number of homeless described in the Consolidated Plan.

The ESG Program requires the local government or other funded applicant to provide a fifty percent match in funding.

## **Method of Distribution of Funds Other Federal and Non-Federal Resources**

### **HUD Section 8 Tenant-Based and Project-Based Rental Assistance Program**

There are several agencies throughout the State that administer the Section 8 program. The program administered by the State is authorized to operate in all counties, and THDA administers the program through nine Field Offices located in Cookeville, Covington, Erin, Knoxville, Lewisburg, Milan, Nashville, Selmer, and Tullahoma. Each Field Office covers area counties and maintains a waiting list of potential recipients. Each Field Office is allocated a specific number of certificates and/or vouchers based on the size and population of the area covered. Issuing of Section 8 certificates and vouchers is a continual process and occurs throughout the year.

### **Low Income Housing Tax Credit Program**

As tax credit authority is made available to the State from the Internal Revenue Service, tax credits are offered on a competitive basis to eligible applicants throughout the State. THDA administers this program and offers one or more application cycles based on level of tax credit authority, amount of carry-over if any, demand, and quality of applications submitted. Ten percent of the total state authority is reserved for qualified nonprofit applicants. Scoring criteria for tax credit applications gives substantial preference to developments that:

- ◆ have agreements with THDA, local PHAs, or administrators of the Section 8 program who give first priority to Section 8 certificate or voucher holders or those on public housing waiting lists in targeted counties;
- ◆ plan to develop housing designed for large families, elderly, physically or mentally disabled, or single-room occupants;
- ◆ include extended use restrictions for low income occupancy beyond 15 years; or
- ◆ elect to set aside a minimum of 40% of the units for households with income no higher than 50% of median income.

### **THDA's Homeownership Programs**

Funds for homeownership are made available to low income, first time homebuyers through the issuance of tax exempt mortgage revenue bonds. When a bond issue occurs, originating agents and Realtors are notified. THDA does not serve as a direct lender, but works with over 100 originating agents throughout the state. The originating agents prepare and package the application along with other required documentation. The package is then sent to THDA for underwriting. THDA then issues a commitment of funding, usually within one to two weeks, to the originating agent, and the loan goes to closing.

THDA homeownership loans are available through the Great Rate program with maximum borrower income of \$36,500 for 1-2 person households and \$41,500 for three-plus person households for Metro Areas; \$33,500 for 1-2 person households and \$38,500 for three-plus person households for non-metro areas. There are also limitations on the price of the home.

### **Housing Opportunities Using State Encouragement (HOUSE)**

For the fiscal year 2000, the state legislature redirected the dedicated tax revenue for the State-funded HOUSE program to the state General Fund.

### **THDA Funded Grant Program**

The THDA funded Grant Program is being offered for one year only. The THDA Grant program will consist of three components: (1) the Local Match program (2) the Great Place Program; and (3) the HOME Match Program.

The Great Place program will fund only one type of activity, single family development. THDA is allocating \$2.5 million for the Great Place Program, which will be rewarded through competitive applications. There will be a special set-aside of \$660,000 of Great Place funds for a program, “The House the General Assembly Built”, to build a house in each of the 99 HOUSE districts. Thirty-three units are scheduled for completion in fiscal year 2000.

Under the Local Match program, THDA will allocate \$1.5 million to qualified counties and CDBG entitlement areas by formula. Each eligible local applicant will receive a commitment for these funds if the funds are matched and an acceptable application is submitted.

One million dollars will be set aside to target funding for a special needs program to be announced at a later date.

Under HOME Match, THDA will add \$1.5 million of its own funds to the urban and rural rounds of the HOME program to serve as a source for the HOME match.



## **HOW THE PROPOSED DISTRIBUTION OF FUNDS WILL ADDRESS THE PRIORITY NEEDS AND SPECIFIC OBJECTIVES DESCRIBED IN THE CONSOLIDATED PLAN**

The Consolidated Plan established the following Priorities:

### **Housing**

#### **Increase the Amount of Affordable Housing and Preserve the Affordable Housing Stock.**

##### Action Steps

- ◆ Housing rehabilitation targeted toward low- very low- and moderate-income populations in the state in order to preserve the current affordable housing stock.
- ◆ Discourage destruction of viable affordable housing for low –income individuals
- ◆ Encourage the production of multifamily housing to serve low-income individuals in the state.
- ◆ Target funds toward elderly housing in the state with emphasis on handicapped accessibility.
- ◆ Encourage the preservation of 2-3 bedroom affordable housing for low-income families in the state.
- ◆ Increase/Maintain the number of housing facilities in the state for homeless individuals.

### **Non-Housing Community Development Needs**

#### **Provide for the viability of communities through insuring infrastructure, community livability, health and safety, and economic development.**

##### Action Steps

- ◆ Provide water and sewer-related services to under served areas of the state.
- ◆ Provide funds for fire protection.
- ◆ Provide economic development opportunities through infrastructure development, industrial buildings and equipment.
- ◆ Provide for the safety and well being of low-income and moderate-income families in the state by improving the quality of the water supply and proper sanitation of waste
- ◆ Support job creation
- ◆ General enhancement of quality of life

**Provide for the housing and supportive services needs of homeless individuals and other special needs populations.**

**Action Steps**

- ◆ Support the acquisition or rehabilitation of facilities to house homeless persons
- ◆ Provide funds to assist persons at risk for homelessness
- ◆ Encourage the development of resource directories to assist homeless persons
- ◆ Increase the amount of services provided to mentally ill homeless
- ◆ Encourage programs to support children in homeless facilities to receive preventive and emergency medical care as well as other developmental or cognitive services
- ◆ Provide supportive services and housing-related services for persons diagnosed with HIV/AIDS

**Affirmatively further fair housing and assure access to business opportunities in the state for women and minority owned business .**

**Action Steps**

- ◆ Convene fair housing and Title VI workshops in the state for local governments, grantees, housing providers, advocates, and citizens.
- ◆ Provide Public Service Announcements on radio stations throughout the state informing citizens of their housing rights.
- ◆ Conduct an Analysis of Impediments of fair housing in the state
- ◆ Encourage reporting of fair housing violations by making citizens aware of their rights and providing information on access to fair housing advocates and organizations in the state.

This One-Year Action Plan includes a Listing of Proposed Projects at the end of this section that details each funding category within each of the four HUD programs. By regulation, the State is not required to establish quantitative goals for these projects.

The funding categories shown in the Listing of Proposed Projects are very general but encompass all of the Priorities listed by the state. CDBG will be used to fund Acquisition, Public Facilities, Clearance and Demolition, Relocation, Housing Rehabilitation, and Economic Development. HOME funds will be used to fund Acquisition, New Construction, and Housing Rehabilitation. HOPWA funds will be used to fund Operating Costs of AIDS patients programs, and ESG funds will be used to fund Homeless Facilities and Operating Costs of Homeless programs. Other federal and non-federal funding sources also add to the accomplishment of the goals.

In an effort to work toward comprehensive approaches to community development and the possibility of a single application process, one initiative is presently under way through THDA's Bicentennial Neighborhoods Initiative (BNI), which is funded with a variety of federal, state, and local funds (including private funding sources). This is an on-going initiative using THDA's HOME and HOUSE funds having specific set-asides for the BNI, and local governments are required to take a neighborhood approach to addressing their housing and community development needs. Local governments submit neighborhood development plans in which they identify activities and other funding sources to be

used, including entitlement or non-entitlement CDBG funds, tax credits, HUD Section 202 and 811, private funds, bank consortium funds, and local funds.

CDBG, HOME, and THDA Grant Program funds will be used to provide housing rehabilitation in 2000 by preserving the affordable housing stock and revitalizing deteriorated neighborhoods. CDBG funds will be used for Public Facilities projects by installing water and sewer lines in low-income areas, thereby improving the safety and livability of neighborhoods and communities. Economic Development activities will be funded with CDBG and will improve the livability of communities, increasing access to capital for economic development, and increasing the accessibility of jobs.

HOME funds will be used for new construction of both single-family units and multifamily units. The THDA Grant funds will also be used for housing for persons with special needs, and Low Income Housing Tax Credits will be used on some of the projects. Tax credits will be used for other projects that incorporate other federal, local, and private funding sources outside of those administered by the State. The program will address the issue of providing multifamily affordable housing, preserving the affordable housing stock, increasing the supply of supportive housing for persons with special needs, and revitalizing deteriorating neighborhoods and communities.

The HOPWA and ESG programs will fund services for AIDS patients, homeless persons, and persons at risk of becoming homeless. HOPWA provides numerous housing services including counseling, information and referral, resource identification, short terms rent, mortgage, and utility payments, and supportive services relating to health, mental health, permanent housing placement, drug and alcohol abuse treatment and counseling, day care, nutritional services, and assistance in accessing other benefits and services. ESG will fund renovations or expansions of homeless facilities, as well as services relating to homelessness. These activities address priorities related to decent housing and a suitable living environment, helping homeless persons and persons at risk of becoming homeless to obtain appropriate housing, and increasing the supply of supportive housing for persons with special needs.

The Section 8 program provides rental assistance and incorporates the Family Self-Sufficiency program into its operations. Family Self-Sufficiency provides for a five-year plan for Section 8 tenants that helps direct them to the skills, services, and jobs they need to eventually reduce or eliminate the need for public assistance. These activities increase the availability of affordable housing, assisting persons at risk of becoming homeless to obtain appropriate housing, reducing the isolation of persons within an area by increasing access to services, increase the accessibility of jobs and job training.

THDA's Homeownership program provides low interest loans to very low, low and moderate-income borrowers. This activity increases the availability of affordable housing and makes mortgage financing available at reasonable rates.

**U.S. Department of Housing & Urban Development  
CPD Consolidated Plan  
Listing of Proposed Projects**

Project ID/ Local ID	Project Title/Priority/ Objective/Description	HUD Matrix Code/Title/ Citation/Accomplishments	Funding Sources
0001	Acquisition		CDBG \$ 250,000
			ESG \$ 0
			HOME \$ 0
			HOPWA \$ 0
		TOTAL	\$ 250,000
		Total Other Funding	\$ 0

Start Date: 07/01/00

Completion Date:

No

No

Help the Homeless?  
Help those with HIV or AIDS?

Eligibility:

Subrecipient:

Location(s):

N/A

**U.S. Department of Housing & Urban Development**  
**CPD Consolidated Plan**  
**Listing of Proposed Projects**

Project ID/ Local ID	Project Title/Priority/ Objective/Description	HUD Matrix Code/Title/ Citation/Accomplishments	Funding Sources
0002	Public Facilities		CDBG \$ 24,512,860
			ESG \$ 0
			HOME \$ 0
			HOPWA \$ 0
		TOTAL	\$ 24,512,860
		Total Other Funding	\$ 0

TN-ECD-00

Start Date: 07/01/00  
Completion Date:

Help the Homeless? No  
Help those with HIV or AIDS? No

Eligibility:  
Subrecipient: N/A  
Location(s):

**U.S. Department of Housing & Urban Development  
CPD Consolidated Plan  
Listing of Proposed Projects**

Project ID/ Local ID	Project Title/Priority/ Objective/Description	HUD Matrix Code/Title/ Citation/Accomplishments	Funding Sources
0003	Clearance/Demolition		CDBG \$ 50,000
			ESG \$ 0
			HOME \$ 0
			HOPWA \$ 0
		TOTAL	\$ 50,000
		Total Other Funding	\$ 0

Help the Homeless? No Start Date: 07/01/00  
 Help those with HIV or AIDS? No Completion Date:

Eligibility:  
 Subrecipient:  
 Location(s): N/A

**U.S. Department of Housing & Urban Development  
CPD Consolidated Plan  
Listing of Proposed Projects**

Project ID/ Local ID	Project Title/Priority/ Objective/Description	HUD Matrix Code/Title/ Citation/Accomplishments	Funding Sources
0004	Relocation	CDBG	\$ 541,000
		ESG	\$ 0
		HOME	\$ 0
		HOPWA	\$ 0
		TOTAL	\$ 541,000
		Total Other Funding	\$ 0

Help the Homeless? No Start Date: 07/01/00  
 Help those with HIV or AIDS? No Completion Date:

Eligibility:  
 Subrecipient: N/A  
 Location(s):

**U.S. Department of Housing & Urban Development  
CPD Consolidated Plan  
Listing of Proposed Projects**

Project ID/ Local ID	Project Title/Priority/ Objective/Description	HUD Matrix Code/Title/ Citation/Accomplishments	Funding Sources
0005	Housing Rehabilitation		CDBG \$ 1,500,000
			ESG \$ 0
			HOME \$ 0
			HOPWA \$ 0
		TOTAL	\$ 1,500,000
		Total Other Funding	\$ 0

Help the Homeless?	No	Start Date: 07/01/00
Help those with HIV or AIDS?	No	Completion Date:
Eligibility:		
Subrecipient:		
Location(s):	N/A	



**U.S. Department of Housing & Urban Development  
CPD Consolidated Plan  
Listing of Proposed Projects**

Project ID/ Local ID	Project Title/Priority/ Objective/Description	HUD Matrix Code/Title/ Citation/Accomplishments	Funding Sources
0006	Economic Development - For Profits		CDBG \$ 3,000,000
			ESG \$ 0
			HOME \$ 0
			HOPWA \$ 0
		TOTAL	\$ 3,000,000
		Total Other Funding	\$ 0

Start Date: 07/01/00  
Completion Date:

Help the Homeless? No  
Help those with HIV or AIDS? No  
Eligibility:  
Subrecipient:  
Location(s): N/A

**U.S. Department of Housing & Urban Development  
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Listing of Proposed Projects**

<b>Project ID/ Local ID</b>	<b>Project Title/Priority/ Objective/Description</b>	<b>HUD Matrix Code/Title/ Citation/Accomplishments</b>	<b>Funding Sources</b>
0007	Project Administration		CDBG \$ 1,600,000 ESG \$ 0 HOME \$ 0 HOPWA \$ 0
TN-ECD-00			TOTAL \$ 1,600,000
			Total Other Funding \$ 0

Help the Homeless?	No	Start Date: 07/01/00
Help those with HIV or AIDS?	No	Completion Date:
Eligibility:		
Subrecipient:		
Location(s):	N/A	

**U.S. Department of Housing & Urban Development**  
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**Listing of Proposed Projects**

Project ID/ Local ID	Project Title/Priority/ Objective/Description	HUD Matrix Code/Title/ Citation/Accomplishments	Funding Sources
0008	General Administration - State Government		CDBG \$ 703,140
			ESG \$ 0
			HOME \$ 0
			HOPWA \$ 0
		TOTAL	\$ 703,140
		Total Other Funding	\$ 0

TN-ECD-00

Help the Homeless? No Start Date: 07/01/00  
 Help those with HIV or AIDS? No Completion Date:

Eligibility:  
 Subrecipient:  
 Location(s): N/A

**U.S. Department of Housing & Urban Development  
CPD Consolidated Plan  
Listing of Proposed Projects**

Project ID/ Local ID	Project Title/Priority/ Objective/Description	HUD Matrix Code/Title/ Citation/Accomplishments	Funding Sources
0009	Set-Aside Funds		CDBG \$ 1,000,000 ESG \$ 0 HOME \$ 0 HOPWA \$ 0
TN-ECD-00			TOTAL \$ 1,000,000
			Total Other Funding \$ 0

Help the Homeless? No Start Date: 07/01/00  
 Help those with HIV or AIDS? No Completion Date:

Eligibility:  
 Subrecipient:  
 Location(s): N/A

**U.S. Department of Housing & Urban Development  
CPD Consolidated Plan  
Listing of Proposed Projects**

Project ID/ Local ID	Project Title/Priority/ Objective/Description	HUD Matrix Code/Title/ Citation/Accomplishments	Funding Sources
0010	Emergency Shelter Grant Program		CDBG \$ 0 ESG \$ 218,714
TN-DHS-00	Other		HOME \$ 0 HOPWA \$ 0
	Rehab, expansion, or new construction of homeless facilities.		TOTAL \$ 218,714
			Total Other Funding \$ 0

Help the Homeless? Yes  
 Help those with HIV or AIDS? No  
 Start Date: 07/01/99  
 Completion Date: 06/30/01

Eligibility:  
 Subrecipient:  
 Location(s): N/A

**U.S. Department of Housing & Urban Development  
 CPD Consolidated Plan  
 Listing of Proposed Projects**

<b>Project ID/ Local ID</b>	<b>Project Title/Priority/ Objective/Description</b>	<b>HUD Matrix Code/Title/ Citation/Accomplishments</b>	<b>Funding Sources</b>
0011	Emergency Shelter Grant Program	CDBG	\$ 0
		ESG	\$ 1,015,336
	Other	HOME	\$ 0
		HOPWA	\$ 0
	Operating cost of homeless program.	TOTAL	\$ 1,015,336
		Total Other Funding	\$ 0

Start Date: 07/01/00  
 Completion Date: 06/30/01

Help the Homeless? Yes  
 Help those with HIV or AIDS? No

Eligibility:  
 Subrecipient:  
 Location(s): N/A

**U.S. Department of Housing & Urban Development**  
**CPD Consolidated Plan**  
**Listing of Proposed Projects**

Project ID/ Local ID	Project Title/Priority/ Objective/Description	HUD Matrix Code/Title/ Citation/Accomplishments	Funding Sources
0012	Emergency Shelter Grant - State Administration		CDBG \$ 0 ESG \$ 48,187
TN-DHS-99	Other		HOME \$ 0 HOPWA \$ 0
		TOTAL	\$ 48,187
		Total Other Funding	\$ 0

Start Date: 07/01/99  
Completion Date: 06/30/00

Yes  
No

Help the Homeless?  
Help those with HIV or AIDS?

Eligibility:  
Subrecipient:  
Location(s):

N/A

**U.S. Department of Housing & Urban Development**  
**CPD Consolidated Plan**  
**Listing of Proposed Projects**

Project ID/ Local ID	Project Title/Priority/ Objective/Description	HUD Matrix Code/Title/ Citation/Accomplishments	Funding Sources
0013	Emergency Shelter Grant Program - Local GOVT		CDBG \$ 0 ESG \$ 16,763
TN-DHS-00	Other		HOME \$ 0 HOPWA \$ 0
		TOTAL	\$ 16,763
		Total Other Funding	\$ 0

Help the Homeless? Yes  
 Help those with HIV or AIDS? No

Start Date: 07/01/00  
 Completion Date: 06/30/01

Eligibility:  
 Subrecipient:  
 Location(s): N/A



**U.S. Department of Housing & Urban Development  
CPD Consolidated Plan  
Listing of Proposed Projects**

Project ID/ Local ID	Project Title/Priority/ Objective/Description	HUD Matrix Code/Title/ Citation/Accomplishments	Funding Sources
0014	Acquisition		CDBG \$ 0 ESG \$ 0 HOME \$ 943,350 HOPWA \$ 0
TN-HDA-00			TOTAL \$ 943,350
			Total Other Funding \$ 0

Help the Homeless?	No	Start Date: 07/01/00
Help those with HIV or AIDS?	No	Completion Date:
Eligibility:		
Subrecipient:		
Location(s):	N/A	

**U.S. Department of Housing & Urban Development**  
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Project ID/ Local ID	Project Title/Priority/ Objective/Description	HUD Matrix Code/Title/ Citation/Accomplishments	Funding Sources
0015	New Construction		CDBG \$ 0
			ESG \$ 0
			HOME \$ 785,351
			HOPWA \$ 0
			TOTAL \$ 785,351
			Total Other Funding \$ 0

Start Date: 07/01/00  
Completion Date:

No  
No

Help the Homeless?  
Help those with HIV or AIDS?

Eligibility:  
Subrecipient:  
Location(s):

N/A

**U.S. Department of Housing & Urban Development  
CPD Consolidated Plan  
Listing of Proposed Projects**

Project ID/ Local ID	Project Title/Priority/ Objective/Description	HUD Matrix Code/Title/ Citation/Accomplishments	Funding Sources
0016	Housing Rehabilitation		CDBG \$ 0 ESG \$ 0
TN-HDA-00			HOME \$ 10,748,299 HOPWA \$ 0
	Homeowner		TOTAL \$ 10,748,299
			Total Other Funding \$ 0

Start Date: 07/01/00  
Completion Date:

Help the Homeless? No  
Help those with HIV or AIDS? No  
Eligibility:  
Subrecipient:  
Location(s): N/A

**U.S. Department of Housing & Urban Development  
CPD Consolidated Plan  
Listing of Proposed Projects**

Project ID/ Local ID	Project Title/Priority/ Objective/Description	HUD Matrix Code/Title/ Citation/Accomplishments	Funding Sources
0017	Housing Rehabilitation		CDBG \$ 0 ESG \$ 0 HOME \$ 449,970 HOPWA \$ 0
TN-HDA-00	Rental		TOTAL \$ 449,970
			Total Other Funding \$ 0

Help the Homeless? No Start Date: 07/01/00  
 Help those with HIV or AIDS? No Completion Date:

Eligibility:  
 Subrecipient:  
 Location(s): N/A

**U.S. Department of Housing & Urban Development  
CPD Consolidated Plan  
Listing of Proposed Projects**

Project ID/ Local ID	Project Title/Priority/ Objective/Description	HUD Matrix Code/Title/ Citation/Accomplishments	Funding Sources
0018	CHDO Operating Cost	CDBG	\$ 0
		ESG	\$ 0
		HOME	\$ 108,630
		HOPWA	\$ 0
		TOTAL	\$ 108,630
		Total Other Funding	\$ 0

TN-HDA-00

Help the Homeless?	No	Start Date: 07/01/00
Help those with HIV or AIDS?	No	Completion Date:
Eligibility:		
Subrecipient:		
Location(s):	N/A	

**U.S. Department of Housing & Urban Development**  
**CPD Consolidated Plan**  
**Listing of Proposed Projects**

Project ID/ Local ID	Project Title/Priority/ Objective/Description	HUD Matrix Code/Title/ Citation/Accomplishments	Funding Sources
0019	Home Administration - State Government		CDBG \$ 0 ESG \$ 0
TN-HDA-00			HOME \$ 753,168 HOPWA \$ 0
		TOTAL	\$ 753,168
		Total Other Funding	\$ 0

Start Date: 07/01/00  
Completion Date:

Help the Homeless? No  
Help those with HIV or AIDS? No

Eligibility:  
Subrecipient: N/A  
Location(s):

**U.S. Department of Housing & Urban Development  
CPD Consolidated Plan  
Listing of Proposed Projects**

Project ID/ Local ID	Project Title/Priority/ Objective/Description	HUD Matrix Code/Title/ Citation/Accomplishments	Funding Sources
0020	HOME Administration - Local Government		CDBG \$ 0 ESG \$ 0
TN-HDA-00			HOME \$ 695,232 HOPWA \$ 0
		TOTAL	\$ 695,232
		Total Other Funding	\$ 0

Help the Homeless? No Start Date: 07/01/00  
 Help those with HIV or AIDS? No Completion Date:

Eligibility:  
 Subrecipient: N/A  
 Location(s):

**U.S. Department of Housing & Urban Development  
CPD Consolidated Plan  
Listing of Proposed Projects**

Project ID/ Local ID	Project Title/Priority/ Objective/Description	HUD Matrix Code/Title/ Citation/Accomplishments	Funding Sources
0021	AIDS Support Services Program		CDBG \$ 0 ESG \$ 0 HOME \$ 0 HOPWA \$ 539,320
TN-DOH-00	Other		TOTAL \$ 539,320
			Total Other Funding \$ 0

Start Date: 07/01/00  
Completion Date: 06/30/01

No  
Yes

Help the Homeless?  
Help those with HIV or AIDS?

Eligibility:  
Subrecipient:  
Location(s):

N/A



**U.S. Department of Housing & Urban Development**  
**CPD Consolidated Plan**  
**Listing of Proposed Projects**

<b>Project ID/ Local ID</b>	<b>Project Title/Priority/ Objective/Description</b>	<b>HUD Matrix Code/Title/ Citation/Accomplishments</b>	<b>Funding Sources</b>
0022	AIDS Support Services Program - State Administration		CDBG \$ 0 ESG \$ 0 HOME \$ 0 HOPWA \$ 16,680
TN-DOH-00	Other		
		TOTAL	\$ 16,680
		Total Other Funding	\$ 0

Help the Homeless? No Start Date: 07/01/00  
 Help those with HIV or AIDS? Yes Completion Date: 06/30/01

Eligibility:  
 Subrecipient:  
 Location(s): N/A

## **GEOGRAPHIC DISTRIBUTION**

The programs described in this One-Year Action Plan reach all areas of the State, and specific targeting of HUD funds is to non-entitlement areas. There are, however, some exceptions to statewide distribution. Each program's geographic distribution is explained below:

### **CDBG**

The State's CDBG program is competitive for all city and county governments in Tennessee except those that receive CDBG entitlement funding from HUD. State CDBG funds will not be distributed to Bristol, Chattanooga, Clarksville, Jackson, Johnson City, Kingsport, Knoxville, Knox County, Memphis, Shelby County, Murfreesboro, Nashville-Davidson County, and Oak Ridge.

### **HOME**

The State's HOME program is competitive within certain categories. As explained in the method of distribution narrative, HOME funds are made available for competition at 33% to urban counties, 52% to rural areas, and 15% to CHDOs. If funds allocated to urban counties are not depleted in the competition, remaining funds are made available to rural areas. In addition, local participating jurisdictions that receive HOME funds directly from HUD are eligible to receive State HOME funds only after all other eligible applicants have been funded.

### **HOPWA**

The State's HOPWA program allocates funds by region in the state. Providers may apply for those regional funds as part of a competitive application process. The regions cover all counties in the State not covered by the HOPWA entitlements.

### **ESG**

The State's ESG program makes funds available to seven CDBG entitlement cities on a formula basis that do not receive direct ESG funding from HUD. The remaining State ESG funds are made available to all non-entitlement local governments and eligible nonprofits on a competitive basis.

### **OTHER PROGRAMS**

The remaining programs, including Section 8, Homeownership, LIHTC, and the THDA Grant Program, are all available statewide.

## **HOMELESS AND OTHER SPECIAL NEEDS ACTIVITIES**

There are several activities mentioned in the previous section which address homeless and other special needs activities. The ESG program will provide funds to local governments and nonprofits to renovate, expand, or convert structures for use as homeless shelters. In most cases, these shelters serve as transitional housing for homeless individuals and families due to the services that are also provided. The services offered also help homeless persons make the transition to independent living.

The HOPWA program helps to prevent low income individuals and families affected by HIV/AIDS from becoming homeless by assisting with rent, mortgage, and utility payments. In addition, the HOPWA program addresses the special needs of persons who are not homeless by providing counseling and supportive services including health, mental health, drug and alcohol abuse counseling and treatment, day care, nutritional services, intensive care, and assistance in gaining access to other local, state, and federal benefits and services. HOPWA also provides assistance with permanent housing placement.

Several years ago, the Department of Justice, responding to complaints regarding one of the State's developmental disability centers, began an investigation. The result was the issuance of a court order to down scale the size of these centers, which meant that several residents would be required to find other living accommodations. The State of Tennessee Department of Mental Health and Mental Retardation (MHMR), who oversees these centers, realized that there was going to be a major problem in finding safe, decent, and affordable housing. MHMR approached THDA and, as a result, two new programs were implemented to accommodate this situation. The first program provided \$1,000,000 from THDA's HOUSE program for Special Needs Grants to qualified nonprofit organizations who would own the property used to serve persons with developmental disabilities. The funds provided for rehabilitation of existing residences, down payment or closing costs for purchase of new construction or existing property, construction loans, or reserves required by other lending programs. HOUSE funds for the FY 2000 were not made available to THDA, therefore this program is unavailable for this grant cycle. However, as a part of the THDA one-year grant program, \$1,000,000 dollars have been set-aside for a still unnamed special needs program. It is the agency's hope that the dollars will be restored to THDA by the General Assembly in order for the HOUSE program to have a special needs set-aside.

The second program, called the State of Tennessee Rental Assistance Program (STRAP), is designed to provide rental assistance to persons who are discharged from the developmental disability centers operated by MHMR. These persons are usually well below the 30% of median income category, and MHMR provides the funds for the rental assistance while THDA provides Housing Quality Standards (HQS) inspections. The local service providers for MHMR contact any THDA Field Office to have a tenant placed on the Section 8 waiting list. THDA gives a Section 8 preference to these tenants, and when the MHMR tenant's name comes to the top of the waiting list, usual procedures are followed to process the application for Section 8. The MHMR tenant may then "convert" from MHMR rental assistance to Section 8 rental assistance. This program works to prevent homelessness for these individuals.

## **OTHER ACTIONS**

**Lead Based Paint:** The State of Tennessee addresses hazards of lead based paint in the state through the following programs/initiatives:

Childhood Lead Poisoning prevention requires TennCare, the state health system for uninsured persons, to test children enrolled in the program.

**EPA and State Lead -Based Paint Abatement Program:** Legislation passed in May, 1999 gave the necessary authority to the state's Department of Environment and Conservation to have lead-based paint training in the state. The legislation also gave them the authority to monitor lead abatement in the state to assure contractors and owners of units are in compliance.

Lead-based paint policies are also in effect for the CDBG and HOME programs in the state. Specifically, grantees must give participants notice of possible lead hazards within the unit when the house is pre-1978, informing them of possible lead dangers.

Grantees must inspect units for families with children under age seven that might have lead contamination, and provide the necessary abatement or encapsulation activity required. Families must be given a federally approved pamphlet on lead poisoning prevention.

At the time of submittal of this document, the state was in the process of establishing guidelines for training of lead-abatement contractors and their workers in the state. Public hearings were held in the three grand divisions of the state. The final document is not yet completed, but is expected to mirror the federal guidelines established by the EPA.

### **Low-Income Housing Tax Credits**

The Low-Income Housing Tax Credit (LIHTC) program is administered by THDA. The tax credits are allocated through an application cycle that includes a selection process, determination of credit amounts, reservations, and carry-over allocation. Ten percent of the total state authority is reserved for qualified not-for-profit applicants. The goal of the allocation strategy is to utilize the tax credits allocated to Tennessee to the fullest extent possible to create, maintain, and preserve affordable rental housing for low-income households.

The specific strategy for coordinating the LIHTC program with the development of housing affordable to low-and moderate-income families consists of the following:

1. Develop rental units affordable to households with as low an income as possible and for the longest time period possible.
2. Encourage the construction or rehabilitation of rental units in the areas of Tennessee with the greatest need for affordable housing.

3. Encourage the development of housing or single room occupancy units for special needs populations including homeless, physically challenged, and elderly.
4. Discourage allocation of tax credits to developments for which tax credits are not necessary to create, improve or preserve rental housing for low-income persons.
5. Allocate only the amount of tax credits necessary to make a development financially feasible and to assure its viability as a qualified low –income development throughout the credit period.
6. Encourage not-for-profit entities to develop rental housing for low- and very low-income households.
7. Encourage energy efficient construction and rehabilitation.

Additionally, during the application selection process preference is given to the following types of developments to help meet affordable housing goals:

1. Developments giving preference to local public housing authorities or administrators of Section 8 Certificate Voucher to Market and give first priority to Section 8 Certificate voucher holders or those on public housing waiting lists in a targeted county.
2. Housing designed for large families, elderly, physically disabled or single room occupancy
3. Extended use restrictions for low-income occupancy beyond 15 years.
4. Requires one of the following:
  - Election to set aside a minimum of twenty percent of the units for households with incomes no higher than 50% of area median income for or  
Election to set aside 40% of the units at 60% of the median for a total of 50 points.
  - Election to set aside 100% of the units at 60% of the median or  
Election to set aside 10% of units at 50% of the median for 25 points.

### **Public Housing and Resident Initiatives**

With the recent passage of the Quality Work Responsibility Act and the requirement of the Public Housing Authorities (PHA) to develop a five-year plan, the relationship between the state and the public housing authorities has become extremely critical. In some cases we continue to search for a delicate balance between the priorities and regulations governing public housing and the affordable housing issues facing the state as a whole, especially lower income residents of the state. Therefore in an effort to support public housing authorities and it's residents the state has established priorities for a number of initiatives impacting PHA residents.

The state is currently required to sign off on the Public Housing Authority five-year plan and attempts to support PHA's by streamlining the review process. The state also tries to assure that residents have been informed of the impact that such plans have on them. Of special concern are those instances when Public Housing Authorities request to tear down viable public housing units. The state recognizes that in some cases demolition of units is necessary in order to have safe and financially viable public housing. The state, however, does not provide a "rubber stamp" approach to such request for demolition. In an effort to minimize loss of much needed

affordable housing the state has specified guidelines in place for proposals to demolish or reduce public housing units. These guidelines give public housing authorities flexibility to demolish units in extreme circumstances, but also give the state the needed flexibility to request additional information. A determination can then be made by the state regarding whether the specific request is consistent with the Consolidated Plan. (See Appendix 6)

The state supports the use of drug elimination grants and other initiatives that provide self-sufficiency help to residents, encourage literacy, and provide safe places for children of public housing. The state further supports initiatives that serve the elderly and those with disabilities in public housing. The state does not however, give priority to these populations over other poor families but allows PHA's to assess their community needs when making a request to the state. Statements of need, will of course, require the necessary support documentation.

Goals for the state include convening meetings with Public Housing Authorities and other providers such as homeless, mental health and disabilities toward better coordination of services. The goal is to provide greater housing opportunities that address the high vacancy rates of many Public Housing Authorities while helping to meet the housing needs of special needs populations in the state.

### **Affirmatively Furthering Fair Housing**

Early in 1996, the State conducted a statewide "analysis of impediments to fair housing choice" and developed a plan to address fair housing issues across the state. In addition, since HUD funds administered by the State are distributed to local governments, the State also decided to provide technical assistance to the local governments to conduct their own analysis of impediments to fair housing and formulate their own fair housing plans. For each year thereafter, different local governments were selected to conduct an Analysis of Impediments. While results overall did not reflect a large number of persons reporting housing discrimination, the state has also looked at additional data to determine possible levels of discrimination and the number of housing cases filed. This information is discussed below as provided by the Tennessee Human Rights Commission for the periods 1997-1998 and 1998-1999.

### **FILING SUMMARY**

<b><u>Agency</u></b>	<b>1997-98</b>	<b>1998-99</b>
TN Human Rights Comm.	79	51
Dual File (HUD and THRC)	147	125
Total Complaints Filed	226	176

It is a discriminatory practice for any individual or combination of individuals, or their agents, to directly or indirectly deny housing to any person or to discriminate against any person with respect to terms, conditions, or privileges of housing because of race, age, color, religion, sex, handicap, or familial status. The following information reflects housing cases resolved by issue.

### **HOUSING CASES RESOLVED BY ISSUE**

<b>ISSUES</b>	<b>1997-98</b>	<b>1998-99</b>
Discrimination in the condition of terms of sale, rental occupancy, or in service of facilities	74	56
Intimidate, interfere or coerce complainant to keep from the full benefits of the state or federal law	1	2
Multiple Issues	27	38
Refuse to rent, sell, or deal	4	9
Housing Cases Closed/Total	106	104

## ***SUMMARY OF HOUSING RESOLUTIONS***

### ***HOUSING SUMMARIES 1998-99***

<b><u>TOTAL RESOLUTIONS</u></b>	<b>Cases Processed</b>
Cause Findings	5
No Cause findings	86
Non Jurisdictional	1
Withdrawals	3
Mutual Agreements	3
Administrative Closure	7
<b><u>TOTAL</u></b>	<b>105</b>

In order to continue affirmatively furthering fair housing, the State will continue to work with local governments and will provide and encourage educational activities, especially in schools. In addition, the State will have the Governor proclaim April as Fair Housing Month.

Under the HOME program, local governments are required to ensure that its Equal Opportunity and Fair Housing policies are consistent with their own or this Consolidated Plan. The State's site and neighborhood standards for HOME state that housing provided through the HOME program must promote greater choice of housing opportunities and must be in full compliance with the Fair Housing Act.

The HOPWA program includes, as one of its activities, Housing Information Services, which assists HIV/AIDS individuals and their families with counseling, information, and referral services to locate, acquire, finance, and maintain housing. This includes fair housing counseling for beneficiaries who may encounter discrimination based on race, color, religion, sex, age, national origin, familial status or disability.

The four HUD funded programs (ESG, HOPWA, CDBG, and HOME) will continue to meet quarterly to track progress of fair housing initiatives and to collaborate on future projects.

Convene fair housing and Title VI workshops in the state for local governments, grantees, housing providers, advocates, and citizens.

Provide Public Service Announcements on radio stations throughout the state in both English and Spanish informing citizens of their fair housing rights.

Conduct an Analysis of Impediments of fair housing in the state

Encourage reporting of fair housing violations by making citizens aware of their rights and providing information on access to fair housing advocates and organizations in the state

### **Barriers to Affordable Housing**

**The state addresses affordable housing barriers through the following goals:**

- ◆ Increase the amount of affordable housing stock
- ◆ Rehabilitate the current housing stock to maintain affordable and decrease the number of deteriorated units.
- ◆ Provide infrastructure improvements to encourage the construction of affordable homes and rehab of existing homes.
- ◆ Encourage the preservation of existing affordable housing units
- ◆ Use housing subsidies to make housing more affordable to low-income families

### **Anti-Poverty Strategy**

The anti-poverty strategy is designed to examine how both the CDBG and the HOME programs address the needs of individuals in the state with incomes below 30% of the median. While both the HOME program and the CDBG program serve persons up to 80% of the AMI, it is important to note that both programs recognize the special circumstances faced by extremely –low or very-low income individuals and families.

It is imperative that programs in the state pay special attention to the plight of these individuals in the use of funds designed to benefit disadvantaged populations in the state. The state addresses these areas in the following way:

HOME Program: Data from the HOME program over the past five years reflect that 41% of HOME program funds have been used to assist persons with incomes less than 30% of the median income. Priority is placed on this population through the HOME scoring mechanism that awards additional points to communities applying for funds to serve census tracts that have a higher percentage of persons in poverty. Additionally, the THDA Board of Directors has designated extremely low-income persons as a priority, requiring a yearly report on HOME beneficiaries to assure that at least 30% of funds are being used for persons below 30% AMI. In addition, as part of the rating system for ranking of qualified applicants, it is recommended that grantees use a formula that those households with the greatest need based on income and family size are served first. To date, grantees in the state continue to use this formula assuring that



persons below 30% of the AMI are served first. As much as 70 additional points are awarded to individuals in this category when being considered for housing rehab related services.

CDBG: Over the past five years, CDBG has not separated its low-and moderate- income beneficiary data to show which of its participants are below 30% of the AMI. Rather, it has relied on data that reflects the percentage of persons in the area earning below 30% of the median as an estimate of persons served with incomes below 30% of median. In an effort to more adequately track this information and set goals for the percent of persons below poverty to be served in the 2000 Consolidated Plan cycle, CDBG will collect data on persons served at the below 30% AMI threshold. Also, as a part of its scoring mechanism for housing rehabilitation, project need points are awarded based on the number of persons with higher poverty levels in the state, specifically persons 62 years of age or above, and/or female heads of household, and/or handicapped individuals.

In addition to the HOME and CDBG program, the state's anti-poverty strategy is addressed through other initiatives in the state, such as Workforce Development/Investment which involves a consortium of agencies in the state working together to assist persons in poverty find employment. Family Self Sufficiency Programs, Welfare to Work, and the (TANF) Temporary Assistance for Needy Families, program which provides child care, help with transportation, as well as a number of other services to assist poor families in finding and maintaining employment.

### **Coordination of Public and Private Housing and Social Service Agencies**

The four HUD programs being applied for under this One-Year Action Plan are carried out by entities other than the State. Funds are awarded by the State to these entities, which include local governments and nonprofit organizations, who conduct the actual activities. Of the other federal and non-federal resources discussed in this plan, Section 8 is the only program directly administered in its entirety by the State. THDA Grant Program funds and the Low-Income Housing Tax Credit program are awarded to other entities, and the Homeownership program is carried out by local lenders. Coordination with social service agencies occurs primarily at the local level with the exception of the Section 8 program. THDA, who administers Section 8, works very closely with other State agencies including the State Department of Human Services, the State Department of Health, and the Department of Mental Health and Mental Retardation. This coordinated effort is expected to continue.

The State will continue to support applications from other entities for HUD program funds for both formula/entitlement programs and competitive programs. (See Support of Applications for Other Entities Report.)

**U.S. Department of Housing and Urban Development  
CPD Consolidated Plan System  
Support of Applications by Other Entities Report**

<b>Funding Source</b>	<b>Support Application by Other Entities?</b>
<b>A. Formula/Entitlement Programs</b>	
ESG	Y
Public Housing Comprehensive Grant	Y
<b>B. Competitive Programs</b>	
HOPE 1	Y
HOPE 2	Y
HOPE 3	Y
ESG	Y
Supportive Housing	Y
HOPWA	Y
Safe Havens	Y
Rural Homeless Housing	Y
Sec. 202 Elderly	Y
Sec. 811 Handicapped	Y
Moderate Rehab SRO	Y
Rental Vouchers	Y
Rental Certificates	Y
Public Housing Development	Y
Public Housing MROP	Y
Public Housing CIAP	Y
LIHTC	Y

# *Certifications*

## CERTIFICATIONS

In accordance with the applicable statutes and the regulations governing the Housing and Community Development Plan regulations, the jurisdiction certifies that:

**Citizen Participation Plan --** It is following a detailed citizen participation plan which:

1. Provides for and encourages citizen participation, with particular emphasis on participation by persons of low and moderate income who are residents of slum and blighted areas and of areas in which funds are proposed to be used, and provides for participation of residents in low and moderate income neighborhoods as defined by the local jurisdiction;
2. Provides citizens with reasonable and timely access to local meetings, information, and records relating to the grantee's proposed use of funds, as required by the regulations of the Secretary, and relating to the actual use of funds under the Act;
3. Provides for technical assistance to groups representative of persons of low and moderate income that request such assistance in developing proposals with the level and type of assistance to be determined by the grantee;
4. Provides for public hearings to obtain citizen views and to respond to proposals and questions at all stages of the community development program, including at least the development of needs, the review of proposed activities, and review of program performance, which hearings shall be held after adequate notice, at times and locations convenient to potential or actual beneficiaries, and with accommodation for the handicapped;
5. Provides for a timely written answer to written complaints and grievances, within 15 working days where practicable; and
6. Identifies how the needs of non-English speaking residents will be met in the case of public hearings where a significant number of non-English speaking residents can be reasonably expected to participate;

**Citizen Participation --** Prior to submission of its housing and community development plan to HUD, the jurisdiction has:

1. Met the citizen participation requirements of '91.xxx
2. Prepared its housing and community development plan and annual use of funds in accordance with '91.xxx and made its housing and community development plan submission available to the public.

**Affirmatively Further Fair Housing --** The jurisdiction will affirmatively further fair housing, prepare an analysis of impediments and maintain records pertaining to carrying out this certification.

**Anti-Discrimination --** The grants will be conducted and administered in compliance with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), the Fair Housing Act (42 U.S.C. 3601-3620), the Age Discrimination Act of 1975, Executive Orders 11063, 11625, 12138, 12432 and 12892, Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), the Americans with Disabilities Act (title II) and implementing regulations.

**Anti-displacement and Relocation Plan --** It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, as required under '91.xxx and Federal implementing regulations; and that it has in effect and is following a residential anti-displacement and relocation assistance plan required under section 104(d) of the Housing and Community Development Act of 1974, as amended, and the relocation requirements of '91.xxx governing optional relocation assistance under section 105(a)(11) of the Housing and Community Development Act of 1974, as amended;

**Drug Free Workplace --** It will or will continue to provide a drug-free workplace by:

1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
2. Establishing an ongoing drug-free awareness program to inform employees about -
  - (a) The dangers of drug abuse in the workplace;
  - (b) The grantee's policy of maintaining a drug-free workplace;
  - (c) Any available drug counseling, rehabilitation, and employee assistance programs; and
  - (d) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph 1;
4. Notifying the employee in the statement required by paragraph 1 that, as a condition of employment under the grant, the employee will -
  - (a) Abide by the terms of the statement; and

- (b) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
- 5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 4(b) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
- 6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 4(b), with respect to any employee who is so convicted -
  - (a) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
  - (b) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
- 7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1, 2, 3, 4, 5 and 6.
- 8. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

Place of Performance (Street address, city, county, state, zip code)

Home - TN Housing Dev. Agency, 404 James Robertson Parkway, Suite 1114, Nashville, TN 37243-0900
CDBG - Rachel Jackson Building, 320 6 <sup>th</sup> Ave. North 6 <sup>th</sup> Floor, Nashville, TN 37243
ESG - Citizens Plaza, 400 Deaderick Street, Nashville, TN 37243
HOPWA - Cordell Hull Building, 426 5 <sup>th</sup> Ave. North Nashville, TN 37243

Check \_\_\_\_\_ if there are workplaces on file that are not identified here;The certification with regard to the drug-free workplace required by 24 CFR part 24, subpart F.

**Anti-Lobbying --** To the best of the jurisdiction's knowledge and belief:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and
3. It will require that the language of paragraph (n) of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly;The jurisdiction is in compliance with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by that part.

**Legal Authority --** It possesses legal authority under State and local law to make grant submissions and to execute a community development and housing programs and the jurisdiction's governing body has duly adopted or passed as an official act a resolution, motion or similar action authorizing the person identified as the official representative of the grantee to submit the housing and community development plan and amendments thereto and all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the grantee to act in connection with the submission of the housing and community development plan and to provide such additional information as may be required;

**Applicable Laws --** The jurisdiction will comply with the other provisions of the Acts covering programs covered by the HCD plan and with other applicable laws.

Don Sundquist /s/  
Signature

4/20/00  
Date

Governor, State of Tennessee  
Title



### **Specific CDBG Certifications**

The Entitlement Community certifies that:

**Use of Funds --** It has developed its HCD plan one-year projected use of funds so as to give maximum feasible priority to activities which benefit low and moderate income families or aid in the prevention or elimination of slums or blight; (the projected use of funds may also include activities which the grantee certifies are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available); except that the aggregate use of CDBG funds received under section 106 of the Housing and Community Development Act of 1974, as amended, and if applicable, under section 108 of the same Act, during program year(s) 20 00, 01, 02 (a period specified by the grantee consisting of one, two, or three specific consecutive program years), shall principally benefit persons of low and moderate income in a manner that ensures that not less than 70 percent of such funds are used for activities that benefit such persons during such period;

**Community Development Plan --** It has developed a community development plan, for the period specified in the paragraph above, that identifies community development and housing needs and specifies both short and long-term community development objectives that have been developed in accordance with the primary objective and requirements of the Housing and Community Development Act of 1974, as amended;

**Special Assessments --** It will not attempt to recover any capital costs of public improvements assisted in whole or in part with funds provided under section 106 of the Housing and Community Development Act of 1974, as amended, or with amounts resulting from a guarantee under section 108 of the same Act by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless:

1. Funds received under section 106 of the Housing and Community Development Act of 1974, as amended, are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than under Title I of that Act; or
2. For purposes of assessing any amount against properties owned and occupied by persons of moderate income, the grantee certifies to the Secretary that it lacks sufficient funds received under section 106 of the Housing and Community Development Act of 1974, as amended, to comply with the requirements of subparagraph (1) above;

**Lead-Based Paint --** Its notification, inspection, testing and abatement procedures concerning lead-based paint will comply with '570.608;

**Excessive Force --** It has adopted and is enforcing:

1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and
2. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction;

Don Sundquist /s/  
Signature

4/20/00  
Date

Governor, State of Tennessee  
Title

### Specific HOME Certifications

The HOME participating jurisdiction certifies that:

**Appropriate Financial Assistance** -- before committing any funds to a project, it will evaluate the project in accordance with the guidelines that it adopts for this purpose and will not invest any more HOME funds in combination with other Federal assistance than is necessary to provide affordable housing;

**Tenant Based Rental Assistance** -- If the participating jurisdiction intends to provide tenant-based rental assistance:

The use of HOME funds for tenant-based rental assistance is an essential element of the participating jurisdiction's annual approved housing strategy for expanding the supply, affordability, and availability of decent, safe, sanitary, and affordable housing.

Don Sundquist /s/  
Signature

4/20/00  
Date

Governor, State of Tennessee  
Title

## **ESG Certifications**

The Emergency Shelter Grantee certifies that:

**Match --** It will provide the matching supplemental funds required by 24 CFR '575.51.

**Terms of Assistance --** It will comply with:

- (1) The requirements of '575.53 concerning the continued use of buildings, for which emergency shelter grant amounts are used, as emergency shelters for the homeless;
- (2) The building standards requirements of '575.55; and
- (3) The requirements of '575.57 concerning assistance to the homeless.

**Non-profit Subrecipients --** It will conduct its emergency shelter grant activities and the unit of general local government will ensure that nonprofit recipients conduct their activities in conformity with the nondiscrimination and equal opportunity requirements contained in '575.59(a) and the other requirements of this part and of other applicable Federal law.

**Use of Commercial Buildings --** If grant amounts are proposed to be used to provide emergency shelter for the homeless in hotels or motels, or other commercial facilities providing transient housing:

- (1) The grantee or nonprofit recipient has executed (or will execute) an agreement with the provider of such housing that comparable living space, in terms of quality, available amenities, and square footage, will be available in the facility for use as emergency shelter for at least the applicable period specified in '575.53;
- (2) Leases negotiated between the grantee or nonprofit recipient with the provider of such housing will make available such living space at substantially less than the daily room rate otherwise charged by the facility; and
- (3) The grantee or nonprofit recipient has considered using other facilities as emergency shelters, and has determined that the use of such living space in the facilities provides the most cost-effective means of providing emergency shelter for the homeless in its jurisdiction.

**Environmental --** It assures that no renovation, major rehabilitation, or conversion activity funded through the Emergency Shelter Grant Program will:

- (1) Involve alterations to a property that is listed on the National Register of Historic Places, is located in a historic district or

is immediately adjacent to a property that is listed on the Register, or is deemed by the State Historic Preservation Officer to be eligible for listing on the Register;

- (2) Take place in any 100-year floodplain designated by map by the Federal Emergency Management Agency; or
- (3) Be inconsistent with HUD environmental standards in 24 CFR part 51 or with the State's Coastal Zone Management plan.

Don Sundquist /s/  
Signature

4/20/00  
Date

Governor, State of Tennessee  
Title

### HOPWA Certifications

**Terms of Assistance --** It will maintain any building or structure assisted with under the HOPWA program as a facility to provide assistance for eligible persons:

- (1) For a period of not less than 10 years in the case of assistance involving new construction, substantial rehabilitation or acquisition of a facility; and
- (2) For a period of not less than 3 years in cases involving non-substantial rehabilitation or repair of a building or structure;

Don Sundquist /s/ \_\_\_\_\_  
Signature

4/20/00  
Date

Governor, State of Tennessee  
Title

## APPENDIX TO CERTIFICATIONS

### INSTRUCTIONS CONCERNING LOBBYING AND DRUG-FREE WORKPLACE REQUIREMENTS:

#### A. Lobbying Certification

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

#### B. Drug-Free Workplace Certification

1. By signing and/or submitting this application or grant agreement, the grantee is providing the certification set out in paragraph (o).
2. The certification set out in paragraph (o) is a material representation of fact upon which reliance is placed when the agency awards the grant. If it is later determined that the grantee knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, HUD, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.
3. For grantees other than individuals, Alternate I applies. (This is the information to which entitlement grantees certify).
4. For grantees who are individuals, Alternate II applies. (Not applicable to CDBG Entitlement grantees.)
5. Workplaces under grants, for grantees other than individuals, need not be identified on the certification. If known, they may be identified in the grant application. If the grantee does not identify the workplaces at the time of application, or upon award, if there is no application, the grantee must keep the identity of the workplace(s) on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the grantee's drug-free workplace requirements.

6. Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes place. Categorical descriptions may be used (e.g., all vehicles of a mass transit authority or State highway department while in operation, State employees in each local unemployment office, performers in concert halls or radio stations).
7. If the workplace identified to the agency changes during the performance of the grant, the grantee shall inform the agency of the change(s), if it previously identified the workplaces in question (see paragraph five).
8. Definitions of terms in the Non-procurement Suspension and Debarment common rule and Drug-Free Workplace common rule apply to this certification. Grantees' attention is called, in particular, to the following definitions from these rules:

"Controlled substance" means a controlled substance in Schedules I through V of the Controlled Substances Act (21 U.S.C.812) and as further defined by regulation (21 CFR 1308.11 through 1308.15);

"Conviction" means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes;

"Criminal drug statute" means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance;

"Employee" means the employee of a grantee directly engaged in the performance of work under a grant, including: (i) All "direct charge" employees; (ii) all "indirect charge" employees unless their impact or involvement is insignificant to the performance of the grant; and (iii) temporary personnel and consultants who are directly engaged in the performance of work under the grant and who are not on the grantee's payroll. This definition does not include workers not on the payroll of the grantee (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the grantee's payroll; or employees of subrecipients or subcontractors in covered workplaces).



# *Citizens Participation Plan*

Citizen Participation  
in  
Housing and Community Development:

A Handbook for Planning,  
Decision Making,  
Implementation, and  
Evaluation.

State of Tennessee  
Housing and Community Development  
Citizen Participation Plan and Handbook  
2000

Lead Agency

Tennessee Housing Development Agency  
404 James Robertson Parkway, Box RPTS  
Nashville, Tennessee 37243-0900  
Telephone 615-741-7918  
Facsimile 615-741-9621

Ralph Massey, Acting Executive Director

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# Introduction

This handbook is a guide for housing and community development professionals who work with citizens to develop and carry out citizen participation activities within the wider context of development policies and programs. It will also serve to:

- < *Provide a better understanding of the citizen participation process.*
- < *Define responsibilities of development professionals at several levels.*
- < *Apply experience and research in citizen participation program development to housing and community development work.*

Effective citizen participation plan development is based on the philosophy that people have both the desire and ability to plan and carry out development programs to enrich their lives. The degree to which this is accomplished depends on people having opportunities to learn and apply knowledge, imagination, and experience toward solving mutual problems. This handbook suggests sound and proactive ways to develop programs and plans using a citizen participation process.

Experience has proven that effective development programs can be achieved only with the support and involvement of citizens.

## **Some major benefits of a citizen participation plan as part of the program development process are:**

1. It keeps development professionals in direct touch with the people that programs are designed to benefit (program beneficiaries).
2. It increases the quality and effectiveness of programs because the knowledge, creativity, and leadership skills of many people are utilized. People feel a greater responsibility for the success of programs when they help to develop them.
3. The involvement of citizens multiplies the efforts of development professionals and produces more successful programs than professionals could produce alone.
4. It provides for continuous evaluation in which people determine program progress and set new objectives to keep programs going in the right direction.
5. It provides a means of coordinating programs with other groups, organizations, or agencies that are addressing problems of the same or similar nature.
6. It helps to identify resources needed to conduct effective programs and to legitimize these needs.
7. It will help people develop their confidence and leadership. People will have an opportunity to satisfy their basic needs to participate as members of a group, render service, and receive recognition.

# Purpose

The 2000 Consolidated Plan combines the planning, application, and reporting processes for four existing HUD formula grant programs: the Community Development Block Grant (CDBG), the Emergency Shelter Grant (ESG), the HOME Investment Partnership Program (HOME), and the Housing Opportunities for Persons with AIDS Program (HOPWA).

This handbook is a guide and reference for the development of these programs. It contains information related to national and state housing and community development policy regarding citizen participation and program development.

The 2000 Consolidated Plan examines the current housing situation, explores the housing and community development needs of the State, and sets priorities for spending HUD grant monies. A vital component of exploring the State's housing and community development needs and setting spending priorities is the participation of citizens. The development of the State's 2000 Consolidated Plan will offer citizens the opportunity to play an active and vital role in the process of statewide strategic planning.

We believe that the involvement of local people is essential to the development of effective programs. It is expected that this handbook will be a valuable tool for meeting the challenge of working in partnerships with citizens to provide sustainable housing and community development opportunities for Tennessee's communities.

The citizen participation plan is designed to encourage citizens to:

- 1. Participate in the development of the consolidated plan beginning in 2004;*
- 2. Participate in any substantial amendments to the 2000 consolidated plan; and*
- 3. Participate in a review and comment process for the annual performance evaluations and reports.*

The intended outcome of the consolidated planning process is the integration of the broad base of knowledge and expertise of citizens with workers in the housing and community development fields. Together, state agencies and community-based organizations are one of the State's most valuable assets - a major investment of resources in the State's future. The State's consolidated plans can help maintain a good return on that investment by responding to Tennesseans' varied needs for economic growth and stability.

Future program efforts will focus in four areas: providing decent housing; providing a suitable living environment; providing expanded economic opportunity; improving the effectiveness of programs.

Tennessee's 2000 Consolidated Plan will use a priority-focused planning process that will coordinate housing and community development activities among program units throughout the State and encourage solution-oriented, multidisciplinary programs. This will require a planning and management process that is appropriate for the complexity of the organizational structure, the changing external factors influencing programs, and the need to be accountable for the public and private resources it has been granted or that it will coordinate.

# Mission of the Citizen Participation Plan

1. Identify Tennessee's current and anticipated housing and community development needs and capacities.
2. Provide a systematic analysis of the state housing market including:
  - a. characteristics of households and the housing stock;
  - b. estimates of housing problems, particularly low and moderate income households;
  - c. diagnosis of market imbalances underlying the problems.
3. Provide a factual basis for local programmatic strategies and spending priorities.
4. Provide a factual basis for state programmatic strategies and spending priorities.
5. Provide evidence to inform state and local decision makers about which housing market and community development problems warrant intervention.
6. Provide evidence to inform state and local decision makers about how scarce resources should be allocated between different housing and community development activities, needs, and initiatives.
7. To explore meanings and implications of housing market conditions for local and state policy choices.
8. To provide basic information about housing conditions and community development trends at the national, state, regional, county, and community levels.
9. To serve as a benchmark against which local communities, state agencies, funders, and advocates can compare their housing and community development concerns and situations.
10. To provide illustrations, by highlighting key national, state, and regional variations of ways communities and states encourage citizen participation to develop strategies for addressing problems, needs, and capacities.
11. To discuss ways in which systematic housing market analysis and community needs/capacities surveys can inform local debate about housing needs, community priorities, and mechanisms for public and private sector involvement.
12. To create a dynamic plan of work derived from a long-range vision of the future.
13. To create incremental, achievable activities that cause small successes and encourage further participation, leading to eventual accomplishment of the long- range vision.

# Creating a Context for Planning and a Basis for Citizen Participation

## *Planning Assumptions*

1. The capacities of people within the neighborhoods and communities of the state should provide a basis for development rather than continuing dependencies on outside resources, expert advice, technology, and financial aids.
2. Successful programs anticipate change, thereby increasing options for action.
3. A holistic focus rather than a piecemeal approach to problems and challenges can produce more effective results.
4. Long-term, sustainable development models provide a better framework for planning than do short-term relief programs.
5. Programs administered as resources for change rather than a service for predetermined and prepackaged needs and situations are more productive.
6. Plans and programs that reflect relevancy to the daily lives of citizens and are based on human relationships rather than technological solutions to human problems will prove more effective and productive.
7. Plans and programs should be developed from the bottom-up being inclusive and accessible and reflecting a collective ability to act as a team, rather than from the top-down.
8. Innovation is valued above maintenance: planning and programming for what could be, instead of maintenance of the way things are.

## Coordination and Leadership

If consolidated planning in Tennessee is to be effective, participants in the process must be guided by common vision, a clear mission, and a solid resolve to learn new approaches to old and persistent problems.

The best planning strategy is a collaborative effort by state and local institutions, community groups, citizens, and government officials. Developing partnerships among these interests, both in and out of government, would ease community-building efforts and problem solving for the Tennessee Consolidated Plan. One of the most important aspects of this role is finding methods to expand the structural base of consolidated planning to include more participants in the process.

The Plan offers leadership toward a unified planning approach for Tennessee in the following ways:

- < *Mission: Helping Tennesseans create communities of opportunity.*
- < *Unified Approach: A unified planning approach requires that assistance by HUD not be viewed as a laundry list of separate programs. Help provided to Tennessee by HUD should be seen as an invitation to the state to develop and embrace a comprehensive vision of housing and community development. By doing so, Tennessee's communities will become better places to live and work.*
- < *Elements of the Comprehensive Vision: A comprehensive and intelligent plan should include affordable housing, adequate infrastructure, fair housing, opportunity for economic growth coordinated with human development.*

The purpose of housing and community development programs in Tennessee is to produce and manage change effectively. Tennessee has identified resources and capacities to deal with housing and community development change. In addition, Tennessee maintains that housing and community development planning and programming is best accomplished through a unified and comprehensive vision of the future. A common vision of the future in Tennessee can open new opportunities for collaboration and collective problem solving. Partnerships among state agencies and among government and private organizations must be developed to build a framework that will enable the achievement of the visions and goals of the plan.

#### *Preparing for the 2005 Consolidated Plan in Tennessee*

The overarching mission of the consolidated planning process is to help Tennesseans build communities of opportunity. Our communities are witnesses to an enormous tangle of problems in such areas as education, public safety, housing, infrastructure, health, and employment that seem to grow in their complexity each year. The enormity of problems is matched, however, by opportunity for success. The deciding factor depends on the human element: how well community members build understanding and action toward solutions.

Community and statewide problems are first and foremost human problems. The willingness to recognize, understand, and take action on community and statewide issues is in question. As Tennesseans plan and work to build communities of opportunity, they must concentrate on what new skills, new attitudes, and new values are necessary to live in a global community of change. This may require shifting the way problems have been viewed in the past and looking to develop resources and capacities yet to be discovered within the community. It has been said anonymously that, "Discovery is seeing what everyone has seen and thinking what no one else has thought."



### *The Process*

The first step in the accomplishment of consolidated planning in Tennessee will be the designation of an agency to coordinate and lead the process in 1999. A lead agency will be required to undertake activities to enhance coordination between public and private housing and community development organizations throughout the state.

The Tennessee Housing Development Agency (THDA) received designation as the agency to lead the 1995 Consolidated Planning process from Governor Ned R. McWherter in September 1994. That designation continues in affect for the current 2000 Consolidated Plan.

A working committee was organized to gather and analyze housing and community development data about Tennessee. This committee became the Consolidated Planning Team. The planning team was assisted in their work by existing plans, strategies, and vision documents of federal and state agencies, regions, local communities, and private organizations. Members of the planning team consulted individuals and constituent groups to compile a statement of needs and prepare an analysis of conditions that may require intervention and assistance.

In addition to the planning team the state conducted a series of nine meetings throughout the state to give citizens and community groups opportunity for greater input into the Consolidated Plan. Comments and input from these meetings were used to determine need and set goals for the programs. The community meetings were coordinated through the nine Development Districts of the State who assisted in placing notices in newspapers, sending letters, contacting local groups, making follow-up calls and setting up meeting sites.

Future recommendations for community meetings include sending invitations to area churches, State Representative and Senators. It was also recommended that public meetings are held in the evening allowing more citizens to attend.

## Consultation

When preparing the consolidated plan, the state will consult with public and private agencies that provide assisted housing (including any State housing agency administering public housing), health services, social services, affordable housing advocates, and housing and community development trade associations,. This consultation will include those agencies focusing on services to children, elderly persons, persons with disabilities, persons with HIV/AIDS and their families, homeless persons, economically and socially disenfranchised and impoverished persons.

When preparing the lead-based paint hazards portion of the plan, the state will consult with health and child welfare agencies and examine existing data related to lead-based paint hazards and poisonings, including health department data on the addresses of housing units in which children have been identified as lead poisoned.

When preparing the method of distribution of assistance under the CDBG program, the State will consult with local governments in non-entitlement areas of the State.

Consultations will be carried out by each state agency participating in the consolidated planning process. The State intends to provide for and encourage citizens to participate in the consultation phase of the consolidated plan. In addition, citizens are strongly encouraged to develop on-going communication with state agencies providing assistance in their community building process. Each state agency and each community has varying communication styles. Some of the activities that will contribute to successful consultations should include:

- C Community outreach and education activities.
- C General informational mailings and announcements.
- C Public hearings.
- C Grassroots planning activities with target populations.
- C Focus and discussion groups.
- C Marketing publications.
- C Workshops.
- C Technical assistance seminars.
- C Solicitation of appropriate advocacy group participation.
- C Encouragement of community-based citizen participation activities.
- C Survey questionnaires.
- C Town Hall meetings and roundtable activities.
- C As available, the use of electronic media and telecommunication aids to facilitate citizen participation, including but not limited to, HUD Bulletin Board System, electronic mail, and the State of Tennessee home page on the Internet World Wide Web.

# **Applicability and Adoption of the Citizen Participation Plan**

The state will officially adopt a citizen participation plan that sets forth the State's policies and procedures for citizen participation.

## **Encouragement of Citizen Participation**

The State intends to provide for and encourage citizens to participate in the development of the 2005 Consolidated Plan, and in substantial amendments to the 2000 Consolidated Plan, and all annual performance evaluations and reports in the interim. The State will take whatever actions are appropriate to encourage the participation of all its citizens, including minorities and non-English speaking persons, as well as persons with disabilities.

Activities will include traditional and nontraditional forms of community and citizen participation and will be designed to be appropriate for the type of citizen participation needed. Potential activities include:

1. Community outreach and education activities
2. General informational mailings and announcements
3. Public hearings
4. Grassroots planning activities with target populations.
5. Focus and discussion groups.
6. Marketing publications.
7. Workshops
8. Technical assistance seminars
9. Solicitation of appropriate advocacy group participation
10. Encouraging community-based citizen participation activities
11. Survey questionnaires
12. Town Hall meetings and roundtable activities
13. As available, the use of electronic media and telecommunication aids to facilitate citizen participation, including but not limited to, HUD Bulletin Board System, electronic mail, and the State of Tennessee home page on the World Wide Web

Citizens are encouraged to seek out opportunities to appropriately contribute to community building activities in their neighborhood or community.

The State will design citizen participation activities to especially encourage participation by low- and moderate-income persons, particularly those living in slum and blighted areas and in areas where CDBG funds are proposed to be used and by residents of predominantly low- and moderate-income neighborhoods as defined by the State.

# **Citizens and Local Government Comment on the Citizen Participation Plan and Amendments**

The State will provide citizens and units of general local government a period of 15 calendar days to comment on the 2000 citizen participation plan and on substantial amendments to the citizen participation plan. The State will make the citizen participation plan public and in a format accessible to persons with disabilities, upon request.

## **Development of the 2000 and 2005 Consolidated Plan**

The following requirements will be included for the development of the consolidated plan in fiscal year 2000.

- , Prior to adoption of the 2000 and 2005 Consolidated Plan, the State will make available to citizens, public agencies, and other interested parties information that includes the amount of assistance the State expects to receive and the range of activities that may be undertaken. The plan will also include the estimated amounts that will benefit persons of low- and moderate-income and the plans to minimize displacement of persons and to assist any persons displaced. This information will be made available through traditional and non- traditional activities and mediums for a period of 15 calendar days. The requirement will be met by publishing a summary of the proposed consolidated plan in newspapers serving the largest population centers in the State and by making copies of the proposed consolidated plan available at libraries, government offices, in electronic format, and other public places.
- , The State will publish the proposed consolidated plan in a manner that affords citizens, units of general local government, public agencies, and other interested parties a reasonable opportunity to examine its contents and to submit comments. The State will publish the proposed consolidated plan in both print and electronic formats and give citizens a period of 30 calendar days to examine the contents of the proposed consolidated plan. The requirement will be met by publishing a summary of the proposed consolidated plan in newspapers serving the largest population centers in the State and by making copies of the proposed consolidated plan available at libraries, government offices, in electronic format, and other public places. The summary will describe the content and purpose of the consolidated plan, and include a list of the locations where copies of the entire proposed consolidated plan may be examined or read. In addition, the State will provide a reasonable number of free copies of the plan to citizens and groups that request it.
- , At a minimum, the State will conduct at least one public hearing on housing and community development needs before the proposed consolidated plan is published for comment.
- , The State recognizes that any single activity or format will not adequately address the need for increased citizen participation. State agencies will offer a variety of opportunities and activities to encourage broad-based community participation in housing and community development projects. State agencies encourage the meaningful involvement of citizens because citizen participation contributes to the near term success and long term sustainability of development projects.
- , Adequate advance notice of the hearing will be given to citizens with sufficient information published about the subject of the hearing to permit informed comment. Advanced notice will be made through the print and electronic media at least 15 calendar days prior to the hearing. Small

print notices in the newspaper a few days before the hearing will not constitute adequate notice and will not be used.

, The hearing will be held at a time and location convenient to potential and actual beneficiaries, and with accommodations for persons with disabilities. All sites for public hearings will be accessible to persons with physical disabilities. Arrangements for persons with other types of disabilities will be made as requested in advance by any citizen wanting to attend. The advertisement for the hearing will contain a statement of nondiscrimination and the name of a contact person for special accommodation required for persons with disabilities.

, In the case of public hearings, the needs of non-English speaking residents will be met where a significant number of non-English speaking residents could be reasonably expected to participate. As with persons with disabilities, arrangements for non-English speaking citizens will be made if adequate advance notice is received from such citizens by the State. With adequate advance notice, arrangements for their full participation in the public hearing will be made. The advertisement for the hearing will contain a statement of nondiscrimination and the name of a contact person for special accommodation required for non-English speaking persons.

, A period of 30 calendar days will be allowed to receive comments from citizens and units of general local government on the proposed consolidated plan.

, The State will consider any comments or views of citizens and units of general local government received in writing, or orally at the public hearing, in preparing the final consolidated plan. A summary of these comments or views, and a summary of any comments or views not accepted and the reasons therefore, will be attached to the final consolidated plan. Officially received comments will be forwarded by the lead agency to the most appropriate agency for response. The lead agency and the responding agency will work together to prepare the comments for acceptance or the reasons for non-acceptance.

It is highly probable that many of the above requirements relative to the development of the State's consolidated plan in 2000 will be accomplished through the electronic media and similar methods not yet fully developed by state government.

## **Amendments and Criteria for Substantial Amendments to the Consolidated Plan**

This part of the citizen participation plan outlines the criteria the State will use for determining what changes in the State's planned or actual activities constitute a substantial amendment to the consolidated plan.

The State will consider any comments or views of citizens and units of general local government received in writing when preparing amendments to the consolidated plan. A summary of these comments or views, and a summary of any comments or views not accepted and the reasons therefore, will be attached to the final amendment. Officially received comments will be forwarded by the lead agency to the most appropriate agency for response. The lead agency and the responding agency will work together to prepare the comments for acceptance or the reasons for non-acceptance. A period of 30 calendar days will be provided to receive comments on a substantial amendment before the amendment is implemented.

### *Amendments to the Consolidated Plan*

The State cannot operate federal grant programs in a manner that is inconsistent with Federal Regulations. This implies that the base for establishing criteria for substantial amendments is conformity with the Federal Regulations. The State has flexibility for program operation only within the confines of the governing Federal Regulations.

Table A: Presents criteria for substantial and non-substantial amendments to the consolidated plan. It should be noted that substantial amendment criteria as shown in the first column, are those changes that affect the core values of the consolidated plan and process. These values keep guard over the comprehensive nature and citizen participation process used to develop the State's housing and community development policies. Changes to these core concepts are considered substantial and serious because they **reflect a redirection** of State housing and community development policy, objectives, and action steps.

The second column in Table A has criteria for non-substantial amendments. Non-substantial amendments relate directly to the daily operation and administration of grant programs by State agencies. These amendments are important but **do not reflect a redirection** of State housing and community development policy, objectives, and action steps.

**Table A. Criteria for Substantial and Non-Substantial Amendments.**

<b><u>Substantial Amendments</u></b> - <i>subject to a citizen participation process, made public and officially submitted to HUD</i>	<b><u>Non-substantial Amendments</u></b> - <i>amendment to be made public and officially submitted to HUD</i>
To change or alter Part III, the strategic plan portion of the consolidated plan.	To change, alter, update, rewrite, correct, or clarify Parts I, II, IV, or V of the consolidated plan to more effectively or efficiently implement Part III, the strategic plan portion of the consolidated plan.
To change the method of distribution of funds for the implementation of the priority needs and action steps of the State as written in Part III, the strategic plan portion of the Consolidated Plan.	To change the actual distribution of funds as a result of Federal budget adjustments of any kind.

## **Performance Reports**

Citizens will be given an opportunity to comment on performance reports. The State will provide a period of 15 calendar days to receive comments on the performance report before its submission to HUD.

The State will consider any comments or views of citizens received in writing when preparing the performance report. The State will consider any comments or views of citizens and units of general local government received in writing in preparing the final performance report.

A summary of these comments or views, and a summary of any comments or views not accepted and the reasons therefore, will be attached to the final performance report submission. Officially received comments will be forwarded by the lead agency to the most appropriate agency for response. The lead agency and the responding agency will work together to prepare the comments for acceptance or the reasons for non-acceptance.

# **Citizen Participation Requirements for Local Governments**

*This portion of the citizen participation plan relates only to the citizen participation requirements for units of general local government receiving CDBG funds from the State.*

Local governments shall be required to hold two public meetings. These meetings must be advertised in the local newspaper at least 10 calendar days prior to the date of the meeting. The advertisement must contain a statement of nondiscrimination and the name of a contact person for special accommodation required for persons with disabilities. All meeting places must be accessible to persons with disabilities.

The first meeting shall be designed to solicit information about community needs and how CDBG funds can best address those needs. To ensure compliance with Title VI of the Civil Rights Act of 1964, applications must make an additional effort to secure minority participation in this process. A summary of those efforts and a copy of the citizen sign-in sheet indicating the race of every person attending the meeting as evidence of the response to the notice must be included in the application for funds.

Communities shall present information about what activities are eligible, how much money is available, and what kinds of projects are being considered.

The second public meeting occurs after the project is complete and is to discuss the accomplishments of the project.

## **Availability to the Public**

The 2000 Consolidated Plan as adopted, substantial amendments, and the performance report will be available to the public, including the availability of materials in a form accessible to persons with disabilities, upon request. The State will make these documents available to the public upon request, at libraries, local development district offices, through distribution to trade and advocacy organizations, and all other practicable and accessible means requested.

## **Access to Records**

The State will provide citizens, public agencies, and other interested parties with reasonable and timely access to information and records related to the State's 2000 and 2005 Consolidated Plan. These same groups will also have access to the planning process for developing the State's Consolidated Plan and the State's use of assistance under the programs covered by this part during the preceding five years. All requests for access to records shall be made in writing through the lead agency: Tennessee Housing Development Agency, 404 James Robertson Parkway, Box RPTS, Nashville, Tennessee 37243-0900.

## **Concerns**

The State will provide for an appropriate and practicable procedure to handle concerns and complaints from citizens related to the 2000 Consolidated Plan, amendments, annual performance reports, and the State's 2000 and 2005 consolidated planning process.

All written concerns and complaints from citizens related to the 2000 Consolidated Plan, amendments, annual performance reports, and the 2000 and/or 2005 Consolidated Planning process shall be made to:

Consolidated Plan Lead Agent, Tennessee Housing Development Agency, 404 James Robertson Parkway, Box RPTS, Nashville, Tennessee 37243-0900. The Lead Agent will act as a clearinghouse for any written concerns received and direct them to the most appropriate agency or organization for a response.

The State will provide a timely, substantive written response to every written citizen concern or complaint, within 15 working days, where practicable.

## **Use of Citizen Participation Plan**

The State will follow its 2000 citizen participation plan and any subsequently approved amendments.